THE CHINA WEEKLY REVIEW

密勒氏評論報

A Weekly Newspaper Established in 1917

June 14, 1941

The Burma Road and Problems it Presents

An Editorial

What Japan Wants in N.E.I.

BY JOHN AHLERS

'Mopping Up' Near Shanghai

EDITORIAL CORRESPONDENCE

China's Three-Year Plan

BY SHAO YEN-CHING

British Invade Syria to Forestall Nazis; Little Resistance to Damascus March

VOLUME 97 PRICE 80 CENTS (in China) NUMBER 2

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IN INDO-CHINA

To the Editor:

The capitulation of the Petain regime to the Third Reich, and the concessions made to Germany's Axis partner in the Far East, have both served to intensify the national crisis in French Indo-China. As a result of the Hanoi agreement which was concluded last September, and which gave the Japanese the right to station troops in the French colony, Indo-China has fallen further into the depths of enslavement —from a colony under French control to a colony under joint Franco-Japanese control.

In order to curb the resistance of the people of Indo-China, the French authorities have promulgated a series of decree laws. Any person can be jailed, even executed, on charges of betraying defense secrets, while even "suspicious" characters can be arrested. The term "suspicious" can be given any meaning the authorities desire. Many innocent people have been railroaded to prison and large concentration camps have been built to accomodate them, because existing prisons are overcrowded. Not long ago scores of Indo-Chinese patriots, including two girls, were executed by shooting at Saigon. The controlled press was not allowed to print a word of this, but the executions were known to have taken place and caused a great sensation.

Then came the Japanese. First they tried to ingratiate themselves with the people by such gestures as free distribution of Japanese cigarettes and other articles, but soon the mask was discarded. Under the protection of the Japanese military, pro-Nippon elements set up organizations such as the "Pan-Indo-China Revolutionary Party for National Regeneration," the "New Indo-China Nationalist Party" and the "League for National Restoration," to engage in propaganda for the "New Order" in East Asia.

They followed this up by buying the support of native big business men, corrupt officials and depraved intellectuals in order to swell the ranks of their fifth column. It is known to everybody that Woo Wen-an, textile magnate of Hanoi, Pei Tai-shun, shipping taipan of Haiphong, Jan See-yei, leader of the Indo-China Nationalist Party, and C. C. Pan, a journalist, have become hirelings in the pay of the Japanese. Moreover, the Japanese have acquired control of three newspapers in Indo-China. Two of these are published in the Annamese language (the "Dong Phap" and the "Tin Moi"), while the third is the French paper "Hanoi Soir." All three papers are thickly colored with Japanese propaganda.

Neither France's mailed fist nor the honeyed words of the Japanese have succeeded in wiping out the people's independence movement. Instead, the movement has been fanned by the combined oppression of the French and the Japanese. Toward the end of 1940, there were local armed uprisings. In some parts of the country, notably at Tuliang and in the vicinity of Saigon, the armed people set up their own administrations and held out against the authorities for several months. These happenings speak for themselves.

C.F.Y.

Kweilin, Kwangsi,
May 28, 1941

KWANGTUNG ROADS

To the Editor:

During the present campaign of resistance it is undeniable that where there are no railways or river transportation facilities, good highways are a vital necessity to transportation of military supplies as well as food products and daily commodities from place to place in the rear. As Kwangtung is the Province of the birth of our Revolution and Gen. Li Han-huan, chairman of the Kwangtung Provincial Government, is a good commander as evidenced by the defeat of Japanese troops in northern Kwantung in January 1940, it might be presumed that reconstruction, especially of highways, in Kwangtung, is more advanced than in other provinces. But to my utter disappointment I found the solid fact is just to the contrary.

I have travelled extensively in this Province and paid a visit to Shaokwan in May, 1940. Before my trip to Meihsien, Kwangtung, I thought the highway across the Kiangsi border to Meihsien could not be worse than that from Nanhsiung to Shaokwan, as this highway was an important international route to Hongkong and the majority of the people in Pingyuan, Chiaolin and Meihsien districts are wealthy merchants or well-well-to-do laborers overseas.

The highway from Tungshih (東石) to Hsinpu (新鋪) is 42 kilometers in length and very mountainous. The road is not stone surfaced and there are neither bridges nor signboards of any kind. Cars have to wade through creeks. It took a whole day for our new Dodge sedan car to run this distance of 42 kilometers and it was stalled in deep mud several times. Country men and women had to be employed for digging and pushing purposes and they demanded an unreasonable and unbelievable charge. Our new Dodge car returned to Kanhsien greatly damaged.

I was told in Meihsien that the other highways in Kwangtung are still worse. As this is a great disgrace, I would draw the attention of the Kwaungtung Provinsial authorities, especially Gen. Li, to this deplorable fact.

H. C.

Kanhsien, Kiangsi,
May 21, 1941

THE CHINA WEEKLY REVIEW

Cable Address "REVIEWING SHANGHAI"

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CONTROVERSY

To the Editor:

With reference to the recent polemics between "W.B." and myself as to the cause of the changes which have taken place in English society since feudalism perhaps the article in Science and Society entitled "The Revolt of 1381 in England" may be of interest to "W.B.".

I should be obliged if you would forward this magazine to him for perusal, as he might like the loan of same.

No doubt it will be noted that the author has gone to the trouble of quoting many standard authorities on the subject.

"BOW BELLS"

Shanghai, June 10, 1941

Editor's Note: The initials "W. B." stand for Wilbur Burton, former night editor of "The China Press," who has returned to his home in the United States. The clipping will be forwarded to Mr. Burton in accordance with "Bow Bells'" suggestion.

THE FIRESIDE CHAT

To the Editor:

Gratification has been expressed by all Chinese over the "Fireside Chat" delivered by President Roosevelt in which he stressed the importance of increased aid to China as an outpost of America's defense. Despite this, rumors are rife to the effect that United States might take steps to reach an understanding with Japan in view of the tense situation prevailing in the Atlantic. The above rumors apparently are created by Japan and her puppets. The Chinese are well aware of Japanese intrigues and believe America is determined to aid the Democracies who are fighting against the aggressor. The United States has recognized the value of China's four years' resistance and China has reiterated that her campaign of resistance, aimed at preserving self-existence and upholding world justice, will continue.

A. WANG

Shanghai, June 10, 1941

MY LITTLE FRIEND

To the Editor:

After I received the sad news of the death of my former classmate's little sister in Hongkong, I had been sorrowing over her deeply for many days. For a year or so, I have known her family and loved them heart and soul. Her death, especially a sudden one, shocks me as a nightmare.

I couldn't fail to recall the many joyful moments when I, together with her sisters, walked in cool summer nights, played cards, shuttlecock or she sang and danced before me. Like most of the girls, she was smart, vivid, pretty and clever. Despite all these good qualities, she was quite fragile and delicate in body. But to part with me so young, I could never imagine.

Aged nine, she is the youngest daughter of her family which consists of parents, a brother and four sisters (a range of ages from 13 to 9). Owing to the Pacific warclouds of last summer, I left them for Shanghai to study with the hope of a prompt reunion....I am going to share the loss as a full brother.

One more word must be added: She died a Catholic, being baptised some days before her death.

A little lamb of God! May she rest in peace!

VINCENT LOU

Shanghai, June 1, 1941

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June 11, 1941

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Amer. Waterworks	4¾
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Bethlehem Steel	74⅛
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Gen. Motors	39⅛
Goodyear T. & R.	17
Gt. Nthrn. Rly., pfd.	25¾
Lockheed Aircraft	24⅛
Mont. Ward	36⅛
N. Y. Central	12½
Texas Corp	39⅝
U. S. Steel	56½

COMMODITIES

New York Cotton, July	13.82/83
New York Rubber, July	21.55B/60A
New York Hides, Sept.	14.74/74
Chicago Wheat July	101⅜/101¼
Chicago Corn, July	72⅞/72⅞
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Demand Buying rate on N.Y. ... ... U.S.$1.	=Sh.$18.18	=Sh.$18.18	=Sh.$18.39	=Sh.$18.39	=Sh.$18.18	=Sh.$18.39
Demand Selling rate on London ... £1-0-0	=Sh.$73.14	=Sh.$73.14	=Sh.$73.85	=Sh.$73.85	=Sh.$73.14	=Sh.$73.14
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Shanghai $100. equals Yen	22⅜	22⅜	22⅜	22½	22⅜	22⅜
Shanghai $100. equals Guilders	10	10	10	9⅞	10	10
Shanghai $100. equals Rupees	18¼	18¼	18¼	18¼	18¼	18¼
Shanghai $100. equals Pesos	10⅜	10⅜	10⅜	10½	10⅜	10⅜
Shanghai $100. equals Hongkong $	21⅞	21⅞	21⅞	21⅞	21⅞	21⅞

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THE BURMA ROAD AND SOME OF THE PROBLEMS IT PRESENTS

WITH the promise by President Roosevelt of continued and increasing aid to China, especially in the matter of military supplies, the Burma Road, principal artery of traffic into Free China, is assuming a growing importance. How is this great traffic lane functioning? What prospect does it hold of becoming a more effective feeder of China's resistance to Japanese aggression?

According to reports reaching Shanghai, there has been marked improvement in the administration since Dr. John Earl Baker took charge several months ago and this has resulted in a steady rise in the volume of traffic, which increased three-fold between November, 1940 and April of this year. The improvement is indicated by the steady, rather than spectacular, nature of the increased handling of goods, suggesting that a level-headed administrator is on the job.

Reports from Lashio, the southern terminus of the road, and Kunming, the northern terminus, fail to agree on the volume of goods moved inland. The discrepancies are accounted for by the fact that truck breakdowns and the continued inadequacy of servicing facilities have caused some accumulations of goods at intermediate points along the highway. For instance, Lashio might report the dispatch of 100 tons of goods, in a certain month, but the goods would be stalled somewhere along the road and the Kunming report for the month, if the delay were long, would not include that shipment. But it has nevertheless been possible to record daily averages of goods shipped and received, based on both Lashio and Kunming reports. The figures show that the daily average of goods moved amounted to 129 tons in November, 1940, rose to 140 tons in December, 169 tons in January, 240 tons in February, 260 tons in March and 369 tons in April.

Contrary to assertions that bridges and the road surface are in bad shape, it is known that all bridges along the road are open and exhibit no signs of structural weakness, while the road surface, although in need of improvement and receiving it, permits of relatively fast movement by trucks. Some vehicles are able to reach Kunming from Lashio in three days. The average time for a round-trip between the two points, including intermediate stopovers and time spent at the terminus, is two weeks. The U.S. Navy sends a truck from Chungking to Lashio every six weeks to haul supplies for the U.S.S. Tutuila, the American Embassy and the American Red Cross. Representative of the Red Cross in Lashio is George Soderbom, well-known as a former resident of Shanghai.

Some of the obstacles to the fullest effectual use of the highway are outlined in a bulletin dated May 10 issued by the American Council of the Institute of Pacific Relations and received in Shanghai last week. Says the bulletin: "Currency weakness is in large part responsible for the snarls in Free China's transportation system. In the rush to convert currency holdings into commodities, Chinese speculators joined the ranks of the merchants importing goods via the Burma-Yunnan highway. The demands of commercial traffic have at times almost completely usurped the never too plentiful supply of truck tonnage to the exclusion of vitally needed war supplies. Competitive bidding for space drove

"More Big Talk From Nippon"

Chicago Daily News

rates so high that trucks contracted to the Chinese government service were bootlegged out to merchants and speculators who were willing to pay premiums to get their goods into China.

"Each government move to correct this log-jamming practice through curtailment of non-military traffic, brought on its new series of evasions and an even more frantic demand for truck tonnage with which to beat the government's dead-lines. It is estimated that during the last months of 1940, close onto 100,000 tons were moving over this road each month. Of this amount, probably an over-estimate, only about 3,500 tons were military supplies for the armed forces of China—less than half of the government quota of 10,000 tons per month. If these figures are even approximately correct, they prove that the bottleneck in aid to China is not the Burma Road itself, nor Japanese bombings, nor lack of foreign support, but misuse of the existing facilities on the part of speculators who hold their pocketbooks above the safety of of their own country. Chinese government supplies piled up at Lashio, the beginning of the Burma highway, can not on the basis of past performance be cleared into the operations area in less than a year.

"The competition for trucks is not limited to commercial and government interests. Neither is it solely responsible for the disorganization of transport along the whole route. There has been friction between government agencies, authority has been divided, service

and maintenance stations have not got beyond the blue-print stage, and an unparalleled amount of red tape and corruption have slowed down rolling schedules from one end of the road to the other.

"Illustration: Trucks in use on the road have downward pointing exhausts. Taken altogether these have blown thousands of tons of dirt surfacing off the road. Armies of coolies have been kept busy putting this dirt back where it belongs. But trucks and road upkeep are in different departments and the simple, recommended expedient of changing the angle of the truck exhausts, preserving the road surface and saving the coolie labor, was never put into practice."

The I.P.R. opined that rapid improvement could be expected with the appointment of Dr. Baker, a rail and highway administrator in the United States and China for over 30 years, as administrator of the highway. A letter received in Shanghai from a Canadian missionary doctor who traversed the highway last month with a convoy of four trucks carrying 13 tons of supplies to Chungking and Chengtu, suggests that there has been some improvement already.

After describing delays at Rangoon due to the inefficiency of the Burmese Customs, in Lashio for overhaul, and at the Burma-China border for further Customs formalities, the doctor relates that they took nine days to reach Kunming from the border "by slow travelling." He testifies that "all bridges on the road were intact and in good shape, and we experienced no difficulties anywhere and found the road in general in good shape, with repairs and improvements going on constantly and with no hint of banditry anywhere. Officials along the road were courtesy itself and efforts seemed to be all in the direction of facilitating rather than hindering the transport of goods into China. There was even no hint of local officialdom asserting itself anywhere."

It seems obvious from the foregoing quotation that the Burma Road itself is now in fairly good condition, though doubtless needing constant maintenance and improvement. The problem is to utilize the great highway to the fullest possible advantage and this is largely a problem of administration. Under the directorship of Dr. Baker the volume of traffic has already improved. And if Dr. Baker's excellent qualifications are considered —he has a long record of outstanding work as a conservancy expert, highway builder and relief administrator —it cannot be doubted that the usefulness of the road is destined be increase very much more as time goes on.

British Missionary Jailed in Taiyuan by Japanese Military

Arrested by the Japanese authorities at Tsechow, Shansi province, on Sept. 14 of last year, Mr. David Davies, a British missionary, is now incarcerated—presumably in a Japanese military prison at Taiyuan, capital of Shansi—after trial before a secret court-martial on charges of infringing Japanese military regulations, it was learned on reliable authority this week.

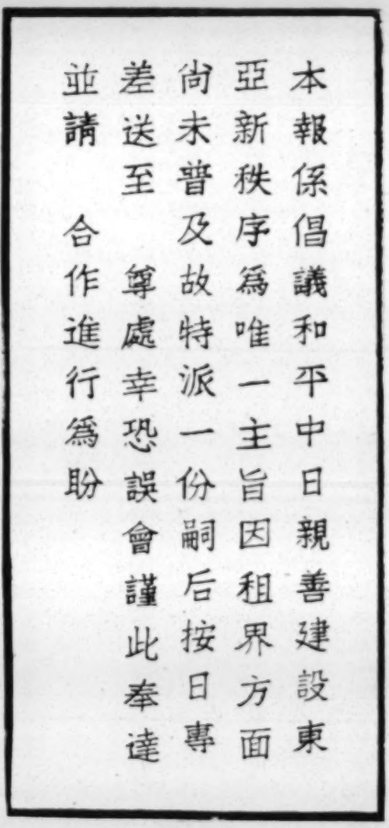
News of Mr. Davies' arrest was published by the Japanese *Domei* agency two weeks after it had occurred. The British authorities made representations in the matter both at Peiping and Tokyo and found it was alleged against Mr. Davies that he had permitted three Chinese soldiers to hide in his church at Tsechow. Some time later, it was learned that Mr. Davies had been removed to Taiyuan for court-martial on charges of infringing Japanese Army regulations in occupied territory.

It was not until the beginning of March this year that the British authorities were informed that Mr. Davies' examination had been concluded and that a formal trial would soon be held. At the end of April they were told that Mr. Davies had been sentenced to four years' imprisonment.

If the Japanese had anything like a "case" against the missionary, they would presumbaly have permitted him to be represented by counsel of his own choosing. Nor would they have conducted his "trial" in hole-and-corner fashion, as they seem to have done. The conclusion seems to be that they had only the flimsiest of cases and that the so-called trial was simply another example of that persecution which the Japanese military have been employing with a view to driving all foreign missionary enterprise out of those regions of China where the Japanese Army is in control.

Hongkew Papers Use "Strong-Arm" Methods

The Hongkew section of the International Settlement, controlled by the Japanese military authorities, is rapidly becoming the center of a new publishing industry, which is attempting to extend its influence "south of the creek," into areas controlled by the Europeans. There are now five newspapers published in Hongkew, two being in the Chinese language, two in Japanese and one in Russian. All are controlled by the Japanese Army directly or indirectly through groups closely affiliated with factions within the army.


本報係倡議和平中日親善建設東亞新秩序爲唯一主旨因租界方面尚未普及故特派一份嗣后按日專差送至 尊處幸恐誤會謹此奉達並請合作進行爲盼

The Chinese circular, reproduced herewith recently was delivered, with a copy of one of the Japanese - controlled Chinese papers, to practically every Chinese shop and office and to the Chinese staff members of many foreign business offices. The inscription says that the purpose of the paper is "to promote peace, foster Sino-Japanese friendship and speed the establishment of the New Order in East Asia." Continuing, the circular says that since other people in the Concessions were reading the paper it was hoped that the recipient of the circular would also subscribe. It concluded with the hope that "there would be no misunderstanding."

It is claimed that those receiving the circular were visited shortly afterward by two solicitors, one Japanese and the other Chinese, and those refusing to subscribe were often threatened and in a few cases attacked. It was reported that the proprietors of large office buildings in the downtown section of the International Settlement had expelled such solicitors following complaints by tenants.

The names of the Hongkew papers are: Chinese—*Sin Shun Pao* (New Shun Pao), *Shi Shih Pao* (Shanghai Times); Japanese—*Tairiku Shimpo* and *Shanghai Mainichi;* Russian—*Dalnevostochnoje Vremia* (Far Eastern Times). Aside from the Hongkew papers, there are three Japanese and Nanking-controlled papers published in the Settlement proper. They are the Wang Ching-wei organ, *Chung Hwa Jih Pao*, printed at the corner of Honan and Hankow Roads within a short distance of the Central Police Station and the American Consulate-General; the *Sin Chung Kuo Pao* (New China Daily), printed in the same vicinity, and *Ping Pao* (Peace Daily), printed on Foochow Road.

The Russian paper in Hongkew was recently referred to in police reports due to its publication of articles attacking Jews, Americans, the Shanghai Municipal Council and the old-established Russian community organization here. Of the other papers, the Wang Ching-wei organ, *Central China Daily News*, has adopted an anti-foreign and anti-American policy from the beginning and frequently prints cartoons ridiculing President Roosevelt. The Japanese papers also print anti-Roosevelt cartoons.

Japanese Army Conducting Its Most Extensive "Mopping Up" Campaign in Shanghai Area

(Editorial Correspondence)

Thousands of Chinese farmers and villagers in the Shanghai hinterland are having a difficult time and large numbers probably will be killed this week as a result of a desperate Japanese "mopping up" campaign against guerrilla forces. This report was corroborated from several sources close to Japanese army garrison units participating in the new drive.

Maddened by the irregulars' continued successful assaults against railroads and garrison posts throughout the Shanghai-Soochow-Hangchow triangle, large Japanese forces already have deployed into the countryside in certain sections with orders to "shoot on sight."

The Japanese defend this ruthless method of eliminating the guerrillas by claiming the impossibility of recognizing mufti-clad irregulars from ordinary rural peasants.

The actual guerrillas, who always amaze the Japanese by learning about their most "secret" plans at least two days before execution, will, of course, be safely away and only the hapless farmer suffers.

Though these "mop-ups" are not new to the area, the extent of the present efforts appear to suppass previous campaigns.

Heretofore, the Japanese have set up a few arbitrary standards to identify a man as a guerrilla before shooting him. For example, a foreigner's cook walking out in the countryside five miles from Soochow was killed early this year because he was wearing leather shoes.

The guerrillas unquestionably have caused the Japanese considerable pain in recent months. Trains have been derailed repeatedly on both the Shanghai-Soochow and Shanghai-Hangchow lines. Approximately half of these wrecks, particularly on the Hangchow line, find their way into print. Only frequent travellers who pass the wrecked cars or see the stacks of unclaimed baggage—some pieces with dark brown bloodstains on them—on station platforms, realize the amount of wrecking being done.

Japanese railroad guards daily patrolling every inch of track within the danger zones to catch the saboteurs or detect their work, usually are one jump behind the irregulars.

In removing a spike from the track, the guerrillas early learned to saw it almost through just under the head, then put it back in place. The passing guards could detect nothing wrong with that particular spot in the track.

The guards met this by scattering sand all along the track in order to tell where guerrillas had been at work. But the latter immediately began carrying pocketfuls of their own sand and covering up their footprints.

The growing force and aggressiveness of guerrillas in this region is attested by the fact that their activities caused three large towns within a thirty-mile radius of Shanghai to be placed under martial law on four successive nights in the last week of May. Japanese patrolled the streets and arrested everyone without a pass.

At Huchow, less than a hundred miles to the southwest, irregulars recently fired into the Japanese garrison headquarters in the city with light field pieces from nearby hills.

Guerrilla activity, however, is only one of the forces plaguing the "new order" in nearby districts as the fifth year of Sino-Japanese hostilities approaches. Conditions are generally chaotic according to responsible observers in the area.

The Japanese soldiers are continuing their antagonistic policy toward civilian populations and succeeding in thoroughly alienating Chinese sympathies from any form of Sino-Japanese co-operation.

Girls of good families have resorted to smearing their faces with dirt, wearing tattered clothes and otherwise making themselves unattractive due to fear of assault by the supporters of the "New Order." Another extreme source of irritation in the immediate interior are the Japanese "carpetbaggers." By their absolutely unprincipled activities they have won the hate of the Japanese army as well as the Chinese people. While there may be some semblance of authority to occasionally curb the soldiers' behavior, the Japanese business man inside China has no leashes outside his own conscience—and that long since curdled away.

The carpetbagger, on choosing a town in which to establish himself, invariably takes over the best available house. The magistrate's home, if not already occupied by army officers, is usually the first one seized.

Once in "his" home, the Japanese stocks it with "servants" often 15 to 18-year-old girls "bought" from poor families. He also stocks it with choice furniture picked up here and there in his tours through surrounding Chinese homes.

A nearby farmhouse or some other town residence is taken to house the carpetbagger's business, which is commonly a saki or rice-straw-bag factory in this rice section of the country. He hires a Japanese-speaking Chinese for a foreman and thinks no more about the business or its sweatshop conditions, except for the profits.

Among the carpetbagger's sideline occupations is the deputizing of himself as a Japanese "army inspector" and prowling around the main canals in search of smugglers. Finding a boatload of contraband (Chinese continually gamble against being caught), he intimidates the boatmen and either forces them to pay on the spot or seizes the goods to hold for later bribes.

In one case near Huchow, a Japanese carpetbagger happened upon a boatload of cigarettes. Seeing him, the three boatmen leaped into the canal. The Japanese shot one with his pistol and let the others escape. Then, rounding up several farmers, he forced them to row the boat to a landing near his house and proceeded to transfer all the cigarettes into his home. Three days later, the owner of the goods showed up and by payment of a large sum was able to free his property.

This manner of the carpetbaggers taking the law into their own hands infuriates not only the Chinese but the Japanese army as well. For the army ordinarily would have seized the smuggled property and gotten the bribe for itself.

A few weeks after the above incident near Huchow, a passenger boat was stopped one night by guerrillas in that section. The irregulars calmed the frightened Chinese passengers by assuring them they would meet no harm.

"We just want a Japanese man known to be on the boat," the guerrilla leader said.

At that moment, there was a splash followed immediately by a volley of shots from the guerrillas. That was the last heard of the carpetbagger.

This disorderly state of affairs can be expected to play little part in strengthening the morale of new Japanese recruits, considerable number of which have been staked out in the near-Shanghai regions in late months. Contrary to its earlier policy, the Japanese appear to be sending a large majority of their recruits raw to China instead of giving them some preliminary training in Japan. They are put through a rapid, gruelling course with the veteran garrison forces, then rushed on into fighting.

Another evidence of the high premium Japanese are placing on fighting men is the fact that veterans who served their two-year term in the active forces during the first years of the "incident" are being called back to the colors. One of these second-draft men interviewed at Hangchow last week expressed a frank disgruntlement over the matter.

Two other factors contributing to social and economic disorders in the Shanghai hinterland are the Japanese-sponsored Chinese soldiery, the "Peace Preservation Corps", and the local "puppet" leaders.

The officers and men of the Peace Preservation Corps, receiving little or no pay, are expected to prey upon the public for their upkeep—which they do with no uncertain appetite.

When a Peace Preservation Corps garrison post becomes too burdensome on the people, however, a guerrilla band will surround it one night and kidnap the whole lot.

Regular Japanese units, sent out to the rescue, usually find the decapitated bodies of the leaders. The men desert to the irregulars with their guns.

Local leaders of the Japanese-sponsored political regime are almost invariably the former young riffraff of the community. Most of the older, respected gentry within the occupied zone around Shanghai are still refugeeing, refusing to return and co-operate with the Japanese.

That the Japanese want them back badly because of their influence on the people is evidenced by the fact that many of them now in Shanghai have been threatened with confiscation of their property if they do not return.

One old gentleman from a town 55 miles from Shanghai, grew a beard, changed his name and went into hiding in the International Settlement to insure against the Japanese locating him and forcing his co-operation.

America is Cool to Amity Overtures of Dai Nippon

Talk of a solution, by peaceful negotiation, of questions affecting American-Japanese relations—most of it emanating from Japanese sources—has continued since President Roosevelt in his recent fireside chat omitted any direct references to Japan in his castigation of the Axis.

On June 4 in New York, Admiral Kichisaburo Nomura, Japanese Ambassador to the United States, spoke at a dinner given in the Waldorf-Astoria Hotel under the auspices of the Japanese Chamber of Commerce and attended by some 800 leading Americans and Japanese, including Admiral William Pratt, former U.S. Chief of Naval Operations, and Mr. John Zellers, chairman of the New York Board of Trade. Admiral Nomura expressed the belief that despite the difficulties confronting Japanese-American relations, he saw "no reason to lose faith in the ability to work out a peaceful solution."

Two days later, Mr. Hallett Abend, former China correspondent of the *New York Times* and now representing that paper in Washington, D.C., wrote a report, allegedly based on "inside" information, to the effect that Japan had for more than two months been attempting to negotiate a non-aggression and neutrality pact with the United States, but that the State Department was decidedly cool to the Japanese overtures, which, he asserted had raised three grave questions, as follows:

1. If the move was sincere, was the United States entitled to consider Mr. Yosuke Matsuoka's statements as a bluff to frighten America into negotiations while simultaneously he deceived Chancellor Adolf Hitler and Premier Benito Mussolini?

2. If the move was insincere, was it an effort to lull the United States into a sense of security under which it might transfer the greater part of the fleet from the Pacific to the Atlantic?

3. If the Japanese advances were made with the foreknowledge of Berlin and Rome, what kind of a new betrayal are the Axis powers planning as one group?

Conversations initiated by the Japanese, Mr. Abend stated, had been informal, so that neither side would have to bear any official blame if they broke down. "To the chagrin and disappointment of the Japanese Government," the correspondent continued, "the response from the State Department to the overtures was that the value of the kind of treaty proposed would be extremely dubious for the following two reasons:

"1. The responsibility of leaders of the Japanese Government is subject to grave doubt and their ability to carry out agreements is questionable.

"2. Time after time, since the outbreak of the China Incident almost four years ago, Japanese leaders individually, and the Japanese Government, have officially reiterated promises to respect the Open Door in China and assured equal opportunity for all, but these promises have never been kept."

If Japan did in fact entertain hopes of entering into a non-aggression pact with the United States, they must have been effectively squelched on June 6 when Secretary of State Cordell Hull declared that negotiation of such an agreement would be contrary to the established policy of the United States which was laid down ten years ago. He added that there had been no change in America's Far Eastern policy. The Japanese Embassy in Washington, apparently trying to cover up, denied that Admiral Nomura had proposed a pact. The subject, said the Embassy, had not been raised but Admiral Nomura had, in the course of visits with American officials and during talks in unofficial circles, discussed possible ways and means of improving Japanese-American relations.

While all this was happening, Mr. Joseph C. Grew, American Ambassador in Tokyo, was calling on Mr. Yosuke Matsuoka, Japan's Foreign Minister, and in Tokyo political circles, *United Press* reported on June 8, the visit was construed as the possible forerunner to "active negotiations" for improved relations between Japan and the United States.

A bellicose note was introduced into the situation by Rear-Admiral Harry E. Yarnell, former commander-in-chief of the U.S. Asiatic Fleet, who asserted in a speech

Dud or Time Bomb?

The Washington Post

at Hoboken, New Jersey, that the United States must fight now if it expects to preserve its freedom and democratic way of life. He advocated a "vigorous, realistic policy of defense in both the Atlantic and Pacific," but without sending any expeditionary forces abroad. The time to fight is now, he declared—"while Britain and China are still powerful allies."

The Tokyo newspaper *Kokumin* matched this warlike utterance by calling attention to the "increasing cooperation between the British, American and Chungking air forces." Recent American moves in this part of the world, the paper asserted "appear to be a kind of offensive against Japan through Chungking" and the Japanese Government should take "more positive" steps to combat them.

Whether or not it is true that discussions have been under way looking toward an improvement of American-Japanese relations, it is clear that a most important factor in the situation is the Japanese attitude toward the Netherlands East Indies. If Japan, despite warnings that America is profoundly interested in the maintenance of the status quo of the Islands, should seek by force, or threats of force, to establish dominion over them, all hope for Japanese-American amity will have disappeared. At the moment, the negotiations at Batavia are stalled. The Netherlands Indies government has rejected Japanese pretensions. It is up to Japan to make the next move.

Harbin-Style Gangsterism Introduced in Shanghai

On Wednesday, June 4, a kidnapping gang composed of three Russians and two Chinese seized a member of the faculty of St. John's University, threw him into an automobile and drove away into Japanese-occupied territory. The kidnapping occurred in Jessfield Village, which adjoins the University. The man kidnapped was Robert Sze, registrar of the University, and to the time of writing these paragraphs no information had been received regarding his whereabouts, although rumors were in circulation that the bandits had "made a mistake" —as they were after higher prey. They allegedly offered to release Mr. Sze if the University "would pay the expenses incurred by the kidnappers." It was thought that the "expenses" referred to the money promised the White Russian bandits, who participated in the crime.

It was reported that the kidnappers acted with considerable finesse as they used handcuffs in place of ropes which usually are used by the common garden-variety of kidnapper.

Aside from this incident there also have been reports of Russians serving with both Chinese and Japanese hold-up men in recent robberies.

But of more significance have been the anti-Jewish and anti-American attacks in the "Fascist newspaper" published by Russians and Japanese in the Hongkew section of the International Settlement, which is controlled by the Japanese Army.

Although unfamiliar to most residents of Shanghai, these activities ranging from the kidnapping of the St. John's professor to the blackmailing and blackguarding activities of the editorial staff of the Russo-Japanese paper in Hongkew, are reminiscent of happenings in Harbin following the occupation of that city by the Japanese Kwantung Army in 1931-1932. A reign of terrorism prevailed there for many months due to the activities of White Russian bandits and gangsters who operated with certain elements in the Japanese gendarmerie. While the wealthier classes of Chinese were the chief victims of these gangs, other sufferers were Jews, who also were kidnapped or blackmailed by Russian and Chinese gangsters in the employ of the Japanese Gendarmerie. In one case the kidnappers tried to abduct an official of the American Consulate-General, T. L. Lilliestrom, an American who had resided in North Manchuria for many years. In this case the kidnappers made a mistake and nabbed a prominent Russian professor, whose familiy had to raise a large sum to pay his ransom.

The most notorious case was the kidnapping of the youthful musician, Simeon Kaspe, son of the Harbin hotelkeeper and jeweller, Joseph Kaspe. Kaspe was a Jew, who had accumulated considerable money in trading and real estate deals. The son had been sent to Paris for a musical education and had become a French citizen. A complete report of the case is on file at the local French Consulate-General, as the French Consul in Harbin who handled the case, was later stationed in Shanghai. In the Kaspe case the kidnappers tried to create the impression that they were acting from political motives as old Czarist Russia, to which the Russian criminals claimed allegience, was anti-Jewish. The Kaspe boy was taken to a cellar on the outskirts of Harbin where he was held while the gangsters conducted their negotiations for a ransom from the father. When the father was unable to raise the sum demanded, the criminals cut off one of young Kaspe's ears which they sent to the father. Later the other ear was sent and finally the youth was put to death.

This case, probably the most notorious in the annals of degenerate criminality, aroused such a storm that the kidnappers, all White Russians, were arrested and tried in the Harbin Supreme Court, where the Chinese judges were still functioning, although the Japanese had occupied the city and surrounding countryside. The Chinese judges, despite Japanese pressure found all of the Russians guilty and sentenced them to life terms in jail or execution. However, the sentences never were carried out as the Japanese military intervened and released the criminals on the flimsy and ridiculous ground that they were acting from "political" motives.

Recently it has been rumored that the Russian kidnappers who were involved in the Kaspe case and other crimes in Harbin have come to Shanghai where they have adopted other names, but still maintain their connections with certain elements in the Japanese military or gendarmerie set-up. Whether or not these Harbin murderers and gangsters have been involved in recent criminality in Shanghai is not known, but it would be well for the Settlement authorities to maintain close watch on the situation.

It was reported this week that the Municipal authorities had taken steps to curb the blackmailing activities of the Hongkew Russian "Fascist" newspaper, and well they should because the articles now being published here attacking Jews, Americans and officials of the International Settlement are almost duplicates of articles published by newspapers controlled by these men or men of their type in Harbin nine years ago. The anti-Jewish articles published in the Harbin newspapers, were followed by kidnappings and extortions and blackmailing activities, which seemingly are beginning here. The authorities here should therefore act immediately and decisively to curb these activities before those behind this peculiar type of criminality are able to obtain a foothold or perpetrate atrocities as they did in Harbin.

Space is insufficient here to publish a full account of the revolting atrocities of these Harbin gangsters, but the following paragraphs from an authoritative report, now available in Shanghai, will give some idea of what Shanghai is in for in the event these activities are not nipped in the bud:

"A millionaire called Wan You-chin paid $250,000 for the liberation of his son; then he had to pay $400,000 and again $100,000 for his freedom.

"A merchant called Chan Chin-ho was caught three different times; he paid $200,000, then another $200,000 and the third time $100,000.

"A department store proprietor called Mo We-tan was kidnapped twice. It cost him $100,000 each time.

"A merchant, Lu Tai, paid $100,000 for his son and $50,000 for himself.

"The entire property and wealth of a great many very rich Chinese and former high officials was confiscated and the victims obliged to enter monasteries. The ex-Chief of Police of Harbin, Mr. Wang, who used to own considerable property, is at present an Abbot in a Buddhist monastery near the new Russian cemetery of Harbin, and there are many others like him.

"Dr. Ksem-Bek, beloved and respected by all who knew him, a man whose generosity and philanthropy had endeared him in the community, was twice kidnapped by the Japanese Gendarmerie's bandits, and was forced to pay a heavy ransom each time.

"The same happened to Dr. Hellieson. Mr. Tarasenko, a merchant, was kidnapped by the Gendarmerie and paid $15,000; he was then kidnapped by the Municipal Police, who got $5,000. Mr. Tisminitsky, a merchant, was ransomed for $15,000; Mr. Eskin for $10,000. Mr. Sherel de Florence was seized by six armed men as he was leaving for the Synagogue. Though this happened in the presence of over 200 witnesses, the Police were indifferent and did not interfere, because they knew quite well that the kidnappers were Russians in the service of the Japanese Gendarmerie. Mr. Sherel de Florence was held captive for 105 days, in a dark cellar, and obtained his liberty by paying $25,000.

"The Chief of the Gendarmerie gave orders that a young boy student of the Polish school be kidnapped. The three kidnappers, two Russians and a Chinese, made a mistake in indentity. Instead of the very rich boy, they took a young orphan protege of the Catholic Priest Valentin Tanalef. Nevertheless, the Chief of the Gendarmerie refused to release the boy. "The Catholic Church has money; if the boy is poor, let them pay!" he said. It cost the Bishop of Kirin $2,000 to have the boy returned after two months' detention....."

The White Russian outlaws, who style themselves "Fascists" in order to camouflage their criminality as "political activity," are of the type which Gen. Graves, Commander of the American Expeditionary Force in Siberia during the World War, designated as "Cossack bandits." In his book dealing with the Siberian expedition, Gen. Graves told how Russian outlaws worked with the Japanese Army and Gendarmes and on one occasion fired on the American troops.

According to reports in Russian emigre circles these men were brought to Shanghai several months ago by certain Japanese elements who have close connections with the Kwantung or Manchurian branch of the Japanese Army. The Russian gangsters reside in the Hongkew section and seldom venture across Soochow Creek for fear of being recognized by former residents of Harbin in the Russian community. The majority of law-abiding Russians in Shanghai will have no dealings with the outlaws, despite the fact they have Japanese protection. It is reported that the Hongkew gangsters—in the fashion of Chicago gangsters of an earlier decade—have availed themselves of the services of legal talent.

GAMBLING HOUSES CLOSED FIRST TIME IN FOUR YEARS

Shanghai's notorious gambling houses, established here shortly following the Japanese occupation and creation of the Nanking Government, are closed—or were closed when these paragraphs were written on Thursday morning of this week. Three large resorts containing roulette wheels, dice games, chuck-a-luck tables and other mechanical gambling devices, known as the China Club, Union Club and Six Nations Club, were closed on the early morning of May 31. Two other places, one known as Joe Farren's, German-owned, and another known as Eventail, in which foreigners also were interested, were closed on June 2, thus bringing to an end—permanently it is hoped—a racketeering enterprise in Shanghai which was responsible for the deterioration of Shanghai's best residential district into a notorious "badlands." The amount of money which the gambling syndicate drained from the pockets of Shanghai's Chinese and foreign population probably will never be known, but an idea of the extent of the evil was provided by the embezzlement cases which filled the local courts, chief victims being Chinese, but dozens of foreigners, including large numbers of refugees also being sufferers.

The gambling evil also provided the American Court in Shanghai with its most sensational case when an action was brought against E. T. (Jack) Riley, former American sailor, charged with violating U. S. gambling laws. Riley, following his retirement from the Navy, became Shanghai's largest operator of slot machines, and in recent years also made a bid for the title of "gambling king" by purchasing a controlling interest in Farren's, the largest gambling house, catering to foreigners. When Riley was arraigned in court it was disclosed that he was an escaped convict from Oklahoma State Prison, where he was serving a term for armed robbery. Riley escaped from the court room during his trial here but was apprehended and sent to McNeil Island to serve a sentence of 18 months, following which he will be returned to Oklahoma State Prison to complete his sentence of 25 years on the earlier charge.

Whether or not the local Chinese Municipality, headed by Mayor Chen Kung-po, a political follower of Wang Ching-wei, head of the Nanking Government, will be able to keep the gambling joints closed, is problematical as the revenues from the places constituted a chief source of income for the Chinese municipality as well as the Nanking government, aside from the considerable slice of the profits taken by the Japanese gendarmes and military elements which control the district. The closure of the resorts also resulted in the dismissal of some 7,000 employes, including a small army of gunmen, who protected the places.

It was reported this week that strong pressure was being exerted to open one house in the premises of Del Monte a former American-owned night club, located on Avenue Haig, just outside the International Settlement.

The closing of the gambling houses, even though temporarily, constitutes a major accomplishment of the new West Shanghai Area Special Police Force, a Sino-foreign police body formed three months ago for the purpose of re-establishing law and order in the so-called outside roads' area adjoining the foreign-administered areas. As reported in last week's issue of *The China Weekly Review* the decision to close the joints was precipitated by the threatened resignations of leading foreign members of the new force, although the closure of the places had been promised by Mayor Chen Kung-po when he assumed office several months ago. Chief stumbling block to closure was the notorious political headquarters at No. 76 Jessfield Road, which is presided over by Woo Su Pao, and which not only protected the gambling houses, but also controlled innumerable racketeering enterprises within Japanese-controlled territory bordering on the International Settlement and French Concession. The leading Chinese officials having authority in the area, aside from Woo Su Pao, who controls No. 76, are Li Shi Chun, Minister of Police, a Nanking appointee; C. C. Pan (Pan Dah), head of the West Shanghai Area Special Police; and Mayor Chen Kung-po of the Chinese Municipality, who also is a Nanking appointee.

When the new western area police force was created, the agreement provided for a three months' trial period, which expires on Sunday, June 15. It was reported that an effort will be made to reorganize the new force so as to make it more efficient and also to provide the officers and men with adequate pay. At present a considerable number of the officers and men are either unpaid or forced to depend upon private contributions. A further element handicapping the efficient operation of the force is the presence here of political organs of the Nanking Government, the most notorious being No. 76 Jessfield Road.

Some of the accomplishments of the new police establishment in the three months since its organization as reported this week were: 1—Establishment of a working arrangement for the extradition of prisoners; 2—Closing of gambling houses; 3—Discontinuance of serious clashes, involving use of arms, between Municipal police and Chinese police employed by the Chinese Municipality, which on occasion had reached the proportions of pitched battles. Members of the new force admitted during the week that the most serious handicap is political interference on the part of both Nanking and the Japanese military authorities.

Latest racket to be established in the Western area is a so-called "motor car theft ring," which was responsible for the theft of some 60 cars in the past thirty days. It was alleged that the cars are being taken to Nanking where they are sold.

Kuomintang, Communists Said Discussing Differences; Japan Wants Reich Recognition of Nanking Regime

Mystery continues to veil the renewed Kuomintang-Communist friction. Reliable political quarters are of the opinion that the leaders of the two parties are meeting to clarify their party viewpoints with a view to reinforcing the national united front.

Actual outcome of the present parleys, it was said, may become known in a few days when the Chinese military spokesman in Chungking will make a definite report on the question of the 18th Group Army's participation in the recent Shansi battle. The spokesman said that the High Command in Chungking, up to June 6, still failed to receive any reports that the 18th Group Army was actually fighting against the Japanese forces in North China.

Red Victories Claimed

In substantiation of its claim that the 18th Group Army had participated in the fighting in Shansi, the **Hsin Hwa Jih Pao**, Communist organ in Chungking, on June 6 published radio reports from the Communist army headquarters, asserting that victories had been won by these forces in North China, particularly in Shansi and Hopei, according to a **Transocean** report from Chungking.

The Communist newspaper further claimed that the Japanese attempt to cross the Yellow River from Shansi had been definitely checked by means of a counter-offensive carried through by the Communist forces. The Communist troops, it was claimed, were especially successful in disorganizing the Japanese communication routes in North China recently.

Of interest on the China political front last week was a circular letter by Mme. Sun Yat-sen on Dr. T. V. Soong's resignation from the China Defense League. The letter, which was published by the local Chinese newspapers last week, carried Mme. Sun's explanation of the actual situation.

Madame Sun's Regrets

In her letter, Mme. Sun expressed deep regret over Dr. Soong's resignation from the League. She declared, however, that Dr. Soong's resignation by no means revealed a fundamental split within the League, since the latter has always been suppporting China's united democratic principles and continued resistance to Japan.

According to Mme. Sun, China internally has only two possible courses—either to employ every effort to resist the Japanese imperialists or else to appease and surrender to the enemy. The China Defense League, Mme. Sun wrote, certainly supports whole-heartedly the former principle and hopes that Dr. Soong will forever hold such a standpoint.

The letter further went on to say that the regular official news-letters published by the League had recently reported on certain facts and opinions which we think necessary to reveal to China's friends abroad in order to make them understand the real situation. "While believing in democratic government and freedom of speech, we also wish our friends abroad to judge everything soundly on the reported facts."

Nanking Publicity Meet

In Japanese-controlled Nanking, Wang Ching-wei's cohorts were busily

(Continued on Page 51)

Japan's Economic Demands Seen as Trojan Horse Concealing Sinister Designs on N. E. I.

BY JOHN AHLERS

To believe Tokyo's press propaganda, at the bottom of the current trouble between Japan and the Netherlands Indies are urgent Japanese requirements for many commodities which the N.E.I. are able but unwilling to supply. This is a gross misrepresentation of the truth. For a great many of the Netherlands Indies' standard export products, which N.E.I. would like to sell to Japan, the latter refuses to offer any market. Though very short of sugar, she does not want to import sugar but prefers to further curtail her civilian consumption. As regards coffee and other colonial produce, the Japanese import policy is identical.

When talking of N.E.I. supplies alleged to be urgently needed, Japan has in mind chiefly three commodities, viz., rubber, tin and mineral oils. These commodities, which Japan wants chiefly for military and semi-military purposes, form indeed the major items of current N.E.I. exports. But it is sheer hypocrisy to make it appear as if for the supply of these three commodities Japan depends on the N.E.I. and that the N.E.I. are holding out on Japan in this field.

As regards rubber, N.E.I. certainly is the world's biggest producer and exporter. But she is by no means the only producer and exporter. Two other important rubber-tapping countries are French Indo-China and Thailand. These two produce rubber at the rate of almost 50,000 tons annually each, or little less than 100,000 tons per year together. Japan's demand for rubber, even taking into account the increase in Japanese armament production requiring increased imports, cannot possibly surpass 50,000 tons a year. The rubber production of French Indo-China alone is sufficient to cover this import demand, and everybody knows that Japan has French Indo-China at her knees and actually extracts large volumes of rubber from France's richest colony. Japan also enjoys a powerful hold upon Thailand. It is preposterous to maintain that without N.E.I. supplies Japan will be unable to secure sufficient rubber, since she is in a position to easily cover her total rubber import demand by appropriating or purchasing half the aggregate rubber production of French Indo-China and Thailand together.

The situation in the field of tin is very similar. Both French Indo-China and Thailand are tin-mining countries. The aggregate tin output of both is considerably larger than Japan's highest possible import demand for this important non-ferrous metal. Japan already gets much tin from these two countries, and nothing can prevent her from securing there all the tin she may require for herself. It is untrue that she is in need of additional tin from the Netherlands Indies.

Mineral oils, of course, are not produced in any substantial quantities in either French Indo-China or Thailand. The Netherlands Indies, on the other hand, are among the world's major oil producers. Their present export surplus in mineral oils is about twice as large as Japan's total import demand. But in mineral oil N.E.I. never held out on Japan. The Netherlands colonies always have been willing to sell to Japan. Late last year, a special oil agreement between Batavia and Tokyo gave the Japanese a half-year option on a whole quarter of the entire N.E.I. oil exports which promised to cover no less than half of Japan's import demand for mineral oils. This agreement must have been satisfactory to Japan, at least in the matter of quantity, or else Japan only a few weeks ago would not have agreed to renew the agreement with but minor alterations.

What then is it that the Japanese want from the Netherlands Indies, and why do they embark on a policy of pressure and threats? In some quarters, it has been suspected that Japan today is acting on a large scale as a buyer on behalf of Germany, and that of rubber, tin and oil she wants considerably more than she can possibly use herself in order to yield the surplus to her totalitarian friends in Europe. Tokyo, of course, repudiates all and any such suspicions.

Now it may or may not be that Japan, via the Trans-Siberian route, yields to Germany and Italy supplies of South Sea colonial produce and metals. Yet in view of all that is known of the extent of totalitarian transit volume via Siberia, and even assuming that the Trans-Siberian railroad were reserved for that transit exclusively, the quantities of supplies which Japan could forward to Germany overland are very limited. They would amount to but a small fraction of Japan's own demand in the commodities concerned, and would not make much difference in that demand's total volume.

Lion Tamers Club

Montreal Gazette.

The Japanese, in fact, can do very well without the Netherlands Indies' rubber and tin, and with the oil which N.E.I. already agreed to sell them. Their real aspirations in N.E.I., however, are by no means of a pure economic nature. They are political and military ones. Japanese appetites and ambitions have become far bigger than Japanese stomachic capacities. The Japanese simply cannot bear the thought that they should be unable to profiteer from the German occupation of the Netherlands and from Great Britain's plight by pirating the Netherlands Indies, which are among the most valuable colonial possessions in the whole world. The Japanese want to exploit to the utmost the preoccupation of the other powers in other parts of our globe. They already succeeded in occupying the formerly best-developed parts of China. They also succeeded in dominating French Indo-China. Over Thailand they exercise unprecedented influence. And their mouths water at the sight of the orphaned Netherlands Indies with their lure of still richer booty.

As usual, the Japanese use economic demands merely as an opening wedge. For decades past, their path of political and military expansion has first been paved by requests for special economic privileges, with Japanese soldiers and warships inevitably following in due course. Always, Japan began with pretending certain economic requirements, hinting that satisfaction of such requirements would eliminate political and military danger. The ill-advised victims who fell for the Japanese sirene song and who granted special privileges, in every instance found out too late that those very privileges merely increased their danger, because the Japanese availed themselves of those privileges chiefly as an opening for political and military penetration.

The Japanese in Batavia at present pursue one immediate economic and financial aim. They want to obtain on credit, instead of paying cash for, the bulk of the supplies the Netherlands Indies are prepared to sell them. The oil companies active in N.E.I. late last year unfortunately agreed to sell to Japan on credit terms a considerable portion of the additional oil Tokyo secured. The Japanese now desire credit terms for a substantial portion of all the commodities they buy in the Netherlands Indies. On such credit terms they now secure from French Indo-China, and to increasing extent also from Thailand, a large part of the supplies they extract from those countries.

They promise to pay off such credits in Japanese goods. But Japan's ever-increasing shortage of raw materials and finished goods, her obvious unwillingness to deal on equal terms with weaker nations, her persistent refusal to accept the principle of reciprocity, and her notorious use of political and military pressure, really make those credits amount to long-term loans which may never be repaid, and which the Japanese themselves are more and more inclined to consider as wartime contributions on the part of subject countries. The Netherlands Indies, of course, have no desire to be led along this road to certain doom. They can sell elsewhere against cash those very supplies Japan wants on spurious credit terms, and they have no wish to enter the "Greater East Asia Co-Prosperity Sphere." Batavia stalls, and N.E.I. economic negotiations with Tokyo have again become very difficult.

The Japanese, as usual, now accuse the Netherlanders of "insincerity." Tokyo's press hounds have been unleashed, and during the past few weeks have indulged in a wild barking campaign against Batavia. Dire threats against N.E.I. are being printed on the front pages of all big Japanese newspapers. Yet it is in reality the Japanese themselves who are insincere. It is certainly insincere to demand, without offering security, credit terms for cash goods that one does not need and that are readily saleable elsewhere. It is insincere to put forth such unreasonable demands for the purpose of launching the other country upon a policy of granting one-sided conces-

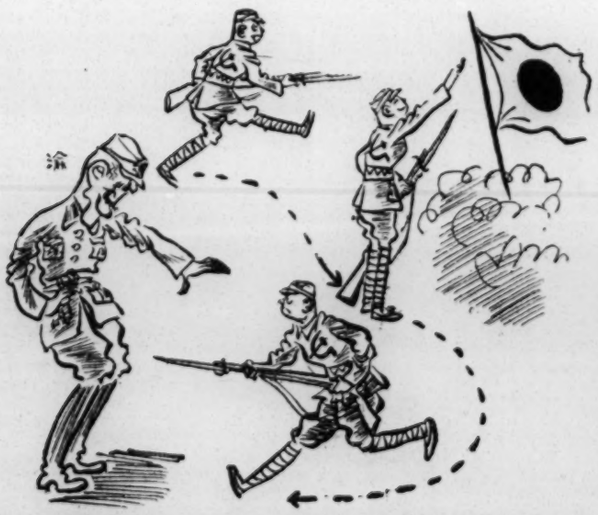
(Continued on Page 51)

PICTURES AND CARTOONS FROM A WORLD IN CONFLICT

Fly-Fighters Brigade at Shanghai Hospital

Chinese war orphans at the American Hospital for Refugees at Shanghai dressed in uniforms made from sacks which contained wheat and rice donated by the American Red Cross. Each child is provided with a fly-swatter and empty cigarette tin and the one who fills his or her tin first receives a prize. As there is a serious shortage of cloth in China, due to the destruction of Chinese spinning and weaving mills, the sacks containing American wheat and rice are cut up for clothing, table-cloths, bed sheets and towels.

Chinese Reds Befriend Japanese?



Japanese military organ, Hsin Shun Pao, published in the Hongkew section of Shanghai, shows Chinese Communist troops marching off to fight the Japanese, but befriending the Japanese Army instead, and finally ending up by attacking their original benefactor, Gen. Chiang Kai-shek.

"Much Smoke, Little Fire"

Wang Ching Wei's paper, Central China Daily News, depicts President Roosevelt frantically fanning the fires of war, but getting little response. The unburned wood is labeled "American people," while the smoke is labeled "World War."

Rangoon Rice

First shipment of rice from Burma arrives in Shanghai for distribution through municipally-controlled shops to prevent profiteering. The rice was purchased by the Municipal Council of the International Settlement from the Government of Hongkong, where it had been stored. Since the rice is sold only through shops which guarantee not to increase the price, the public has been advised to patronize shops which display the Municipal Sign, "THIS SHOP SELLS S. M. C. RICE."

"Honor" Among Thieves

Chicago Daily News

Joe Is Heartbroken

Stalin to his Cossack guards: "Throw him out, he's breaking my heart!"—*The Washington Post.*

Examination Time in Tokyo

The Washington Post

Allied Troops Invade Syria to Forestall the Nazis; Little Resistance Seen in March on Damascus

Major development in the European War during the past week was the British and Free French drive into Vichy-held Syria. Encountering only feeble resistance, Allied troops were within 12 miles of Damascus on Wednesday of this week.

British Imperials and de Gaullist troops began penetration into the French-mandated colonies of Syria and Lebanon early in the morning of June 8. Simultaneously, the British Mediterranean Fleet launched a sea attack,, blockading the entire Levant coastline, but unsuccessfully attempted to land forces behind the French defenders. Synchronization of the Royal Air Force unit attacks on French bases in Aleppo, Damascus, and Rayak, with the land and sea drives, further aided the Allies in their first invasion of Near Eastern territory.

Allied Motivation

The reason for the Allied invasion, as announced by London, was Nazi infiltration into the French mandated territory. Vichy, however, denied that there was "a single German soldier" in the territory and vigorously protested the Allied action. From Berlin came a semi-official statement to the effect that the affair is one between France and Britain and that Germany does not propose to interfere—at least for the present.

Leader of the French defenders is General Henri Dentz, High Commissioner of Syria, while opposing him are General Charles de Gaulle, head of the Free French Government, and General Catroux, former governor-general of French Indo-China. The French invasion forces are reputed to number more than 20,000 white and colonial native troops.

Although it is too early to predict the outcome of the campaign, French military sources admitted that the British have advanced at a rapid pace and blamed this on their own lack of manpower and mechanical equipment. Five columns of Allied troops are moving into Syria, two of which are aiming at occupation of Damascus, whose fall is imminent. Beirut is also expected to fall by the week-end.

Landing Attempt Fails

British attempts to put several thousand troops ashore along the Mediterranean coast to cut off French troops on the South from their Beirut base, were frustrated when French planes and submarines broke up a big formation of cruisers and destroyers off Tyre and Sanda.

Should Hitler refrain from using his planes and mechanized legions to aid the Vichy Government, the occupation of Syria and Lebanon will probably be completed within a week. There have been reports, however, that the Germans are wildly requisitioning boats of every description throughout Greece and other conquered countries in preparation for launching an invasion either to support the Vichy forces in Syria or to make a thrust against Suez.

British naval activity in the eastern Mediterranean is still endangering Axis ships despite the loss of the Cretan base at Suda Bay and will make any German sea drive a hazardous affair.

Drive on Suez Seen

The recent placing of Alexandria, British Egyptian stronghold defending Suez, on at least a semi-weekly Nazi bombing schedule, lends credence to the belief that Hitler's forces are preparing a drive against the vital Canal. The first full-scale blitz-raid on Alexandria took place on the night of June 5 and brought death to more than 150 persons. Anti-aircraft fire from shore and naval batteries kept the raiders high but extensive damage was sustained by the thickly-populated Arab sections of the city.

A second all-night air attack was suffered by the Egyptian seaport on June 8, when Nazi squadrons swooped suicidally low to drop their explosive and incendiary bombs upon military objectives. Both air attacks were made from bases recently conquered in Crete.

Further indication that Nazi legions will again resume their march is seen in the Italian announcement by Mussolini that Italy will garrison the whole of Greece, including Athens. This will permit superior German troops to proceed to active fighting areas.

The primary diplomatic move of the week came from the United States where Secretary of State Cordell Hull revealed on June 7 that America has entered into an agreement with Admiral Henri Robert, High Commissioner to French territories in the Western Hemisphere, in which Robert pledges that the activities of French colonies under his jurisdiction will not harm American interests.

Hull Reveals Pact

Mr. Hull, revealing the pact in a letter addressed to Senator Mead, said that the pact provides "certain guarantees regarding the movement of French vessels in American waters and commits the French Government to prior notification regarding any shipment of gold." The pact also permits establishment of daily patrol by vessels and planes off the islands of Martinique and Guadeloupe. A naval observer is at present stationed in Martinique to check the French observance of their obligations.

In return for the pledge, the United States has agreed to extend relief to the French islands and also to French Guiana.

Diplomatic Break Possible

Direct United States relations with the Vichy Government have not been so happy, however. A break in Franco-American relations has even been predicted following Mr. Cordell Hull's warning that "developments in collaboration between France and Germany may be forcing France into the camp of aggressor nations" and the assertion that this threatened "seriously to alter the Vichy Government's relations with the United States." This statement is regarded as a final American plea to Vichy to abandon collaboration with the Nazis.

Possibility that America will eventually be drawn into the war was increased when Mr. John G. Winant, United States Ambassador to Great Britain, announced during his Washington visit that "it does not seem that the British Government would be prepared to engage in any way in peace conversations with the enemy."

This possibility was further augmented by Hitler's declaration to Mr. John Cudahy, former American ambassador to Berlin, now in the employ of Life magazine, that "convoys mean war." The statement was made on May 23 to Mr. Cudahy in Hitler's first interview with an American newspaperman for over a year.

The German leader is also reported to have called a German invasion of the Western Hemisphere as fantastic as an invasion of the moon.

The return to London of Sir Stafford Cripps, British Ambassador to Moscow, for consultations, has aroused speculations concerning possible Anglo-Russian rapprochement. It has been rumored that Germany is attempting to gain Stalin's permission to send troops through southern Russia to Iran, in which case the Czar's successor may be getting worried about Hitler's plans.

American Ship Sunk

Meanwhile, a June 9 report coming from the United States Navy Department and Mr. Jefferson Caffrey, United States ambassador to Brazil, states that the American freighter, "Robin Moore" has been torpedoed by a German submarine half way between Brazil and West Africa. The report originated from the Brazilian steamer "Osorio" which claims to have picked up eleven survivors.

The "Robin Moore" was on its way to Cape Town, South Africa.

THE DREAM AND THE NIGHTMARE

The Graphic, Singapore.

Japan Disappointed at N.E.I. Reply to Economic Proposals; Hesitancy Seen on Part of Tokyo

Japanese spokesmen, ranging from Delegate Yoshizawa to Foreign Minister Yosuke Matusoka and high War, Navy, and Overseas Affairs officials, have found the long-awaited Netherlands East Indies reply to Japan's May 14 economic demands unsatisfactory. They are waiting for a future conference between the Cabinet and the High Command before determining Japan's final attitude, howeved. The N.E.I. reply was delivered on June 6.

Although the contents of the reply have not been published, the general impression is that the Dutch Government has not modified its point of view, which is based on two principles.

The Two Principles

1.—The Netherlands East Indies do not wish to take part in any "order" whatsoever. Neither do they wish to accept the leadership of any other power.

2.—The Netherlands East Indies can under no circumstances whatsoever co-operate either directly or indirectly in supplying the European enemy with raw materials.

Dr. E. N. Van Kleffens, Foreign Minister of the Dutch refugee government in London, referred to the latter principle and the contents of the Dutch reply in a June 6 address to the Chicago Council of Foreign Relations. He declared that Japan was assured of obtaining "about all she needs of rubber and petroleum as long as peace is maintained." He also declared that war in the southwestern Pacific can be avoided "if everybody, including Japan, remains within the limits of reason."

A Dutch Counter-Proposal

It is understood from Japanese delegation sources, that the Dutch reply is a sort of counter-proposal which deals lengthily with the main points raised by Japan. Consequently it is thought that Foreign Minister Matsuoka may instruct Mr. Yoshizawa to request the Batavia authorities to modify their reply on certain points, and to explain certain passages considered not sufficiently clear or in conflict with the Japanese proposals.

The request will probably not be made in the form of an ultimatum, although Mr. Matsuoka is consulting lengthily with military, naval, and overseas affairs authorities before framing it, and Mr. Koh Ishii, Deputy Spokesman for the Board of Information, told foreign correspondents on June 10 that the Netherlands reply was "very unsatisfactory."

Mr. Ishii also expressed the opinion that the answer was the final word of the Dutch Government and believed that it would not change its attitude. The deputy spokesman earlier, however, on June 6, before the answer to Nipponese demands was given Mr. Yoshizawa, was reported by *Domei* as saying that "Japan will not resort to force even if the Netherlands East Indies Government fails to furnish a satisfactory reply to the Japanese economic proposals."

Bellicose Press Reaction

Japanese press reactions to the Netherlands note have so far been more inflammatory than those of the government. The Shanghai *Mainichi* charged that the attitude of the Dutch East Indies is political and military and threatened that Japan will be forced to adopt a similar attitude if no revision is forthcoming from Batavia. The paper further declared that the question is really one between Japan and the United States, since America is instigating the Indies to strengthen military preparations for fear of losing tin, rubber, and oil sources, and for fear also of losing a link of her encirclement chain of Japan.

Real or Stuffed?

N. Y. Times.

The *Kokumin*, Tokyo daily, prophesied wide repercussions to Japan's southward policy should the negotiations break down completely, and declared that it "will mean that the first gun has been fired in the war of Japan against the United States and Britain in the Pacific."

Latest sign that Japan may possibly be preparing for a push against the islands is the appointment on June 10 of a naval officer, Lieut.-Commander Hozumi Eguchi, to the Japanese delegation in the Dutch Indies. Mr. Eguchi may be preparing to make a last-minute survey of Netherlands defenses before any real action begins.

Dutch Stand Firm

The Dutch authorities, however, show no signs of succumbing to Nipponese economic and political domination under the guise of "Co-prosperity" without a struggle. Preparations for war are in evidence throughout the islands. The government on June 1 authorized the commander of the army to accelerate the calling up of the militia of the class of 1923 for military training. Stricter control of temporary visitors, requiring them to inform the authorities of their itinerary upon landing, and also to inform inland district authorities where they intend to travel even after being permitted to land, is to become effective July 1. Furthermore, war industries, including a sulphuric acid factory, scheduled to start production by the end of next year, are being established in the hitherto dominantly agricultural spice islands.

Meanwhile, the Dutch officials have recently been able to observe how Japanese-sponsored "Co-prosperity" infringes upon the sovereignity of any state which accepts it. This has been witnessed in the case of the May 25 Japanese seizures of American property in Haiphong, French Indo-China, and the consequent French protests against the action which have been ignored by the Nipponese authorities.

Indo-China Helpless

The French Indo-China officials, while denying authorization of the seizure of the American-owned products and protesting the action to "deaf" Tokyo ministers, admit that they are helpless to interfere with the continued removal of the goods to Hainan Island, including trucks, tires, and machinery, because of Japanese pressure. It was recalled that when the Japanese sudenly started seizures in Haiphong, machine-guns were trained on near-by streets and Nipponese planes hovered over the city. At no time did the domineering Japanese even reply to propositions for settlement of the problem made by owners of the goods through the legitimate Indo-China government.

While representations concerning the seizures are being made to the Japanese by United States consular officials, Major-General Raishiro Sumita, chairman of the Japanese Military Mission to Indo-China, stated that the goods will be compensated for but not returned if they are not proved enemy property. Should this compensation be granted, the seizures will appear to be in reality a kind of "forced sale" engineered because of Japan's urgent need for such equipment and inability to purchase it in the open market since the enforcement of American embargoes.

Anglo-Thai Oil Deal

Japan's plans to draw Thailand into the "New Order" sphere have failed, according to a *United Press* report from Singapore.

The report gave as evidence for this the new Anglo-Thai oil agreement and the cancellation of the Mitsui Bussan Kaisha's rice export licenses presumably to furnish additional rice to Singapore in exchange for the oil.

The oil agreement permits Thailand to import an unspecified quantity of British oil to relieve the fuel shortage there.

Japanese Bonds to be Sold in Central China

The Shanghai *Mainichi* reported this week that the 22nd issue of Japanese savings bonds and the 8th issue of "patriotic savings bonds" would be available for purchase in Central China and could be bought through local Japanese banks between June 14 and July 10.

Chinese Autumn Offensive Predicted in Chungking; Shansi Battles Seen Drawing to a Close

The Chinese armies, failing unexpected developments, will take the initiative in the war in China some time around September. That was the answer directed last week by Chungking circles against persistent Japanese rumors claiming the waning of Chungking's morale and fighting capacity.

Such prediction, these circles maintained, is by no means mere wishful thinking as enough American armament is expected to have been received before the coming autumn to make possible a big offensive. China, they declared, requires aircraft, artillery and mechanized equipment for a large-scale counter-offensive against the Japanese army in China, and there is every reason to believe that such equipment will be forthcoming shortly from the United States.

Important Change Predicted

Although it still takes time for training and organization of personnel to use such equipment of which part must also be used to protect China's vital communication lines and military bases, it was asserted, however, that as soon as these tasks are completed, the world will see an important change in the Sino-Japanese war situation. The Chinese army will deal its first blows at those Japanese positions which will give China the highest value in the economic, military and political spheres, these circles added.

At the same time, it was pointed out, the operations must also be of such a nature as to make the deepest impression abroad.

Meanwhile, Japan is said to be in a dilemma, unable to decide whether to proceed southward, and thereby risk a major war against the United States and Britain, or make a desperate drive against Chungking, thereby risking deeper commitments in China.

Japan Said Ready

The first Japanese comment on the Chungking report was the remark made by Lieut.-Col. Kunio Akiyama, Japanese Army spokesman in Shanghai, who said that "if Chungking ever launches such a campaign it would be welcomed by the Japanese, who are always eager to strike fresh blows against the Chungking forces."

Commenting on the recent Shansi battle, the Japanese spokesman stressed the ability of Japanese columns to cut through the Chinese defense lines and seize vitally important fording points along the north bank of the Yellow River as a factor enabling the Japanese forces to score a major victory against the Chinese troops holding out in the Chungtiao mountains.

The Japanese spokesman also announced a rather heavy Chinese casualty list, declaring that Chinese losses in the entire Shansi campaign, during the period from May 7 to June 5, totalled 50,000, while 25,000 prisoners were taken. Of the 23 Chinese divisions taking part in the hostilities, 13 were annihilated, while two-thirds of the remaining 10 divisions were wiped out, the spokesman said. However, he admitted that the Chinese forces in Shansi employed curious tactics, which were perhaps without parallel in military history.

Despite Lieut.-Col. Akiyama's failure to mention the number of Japanese casaulties in the Shansi battle, an official Japanese statement revealed that during the battle they totaled 550, including officers.

Shansi Fighting

Chinese reports on the Shansi war situation are not so dark as the Japanese had claimed. Although the Japanese have occupied the mountain region and the ferry crossings on the northern bank of the Yellow River, they have never been able to dominate the whole area, a Chungking report said. Crack Chinese guerilla units are continuing to harass the Japanese communication lines in southern Shansi, threatening to disrupt the entire Japanese transportation system of North China.

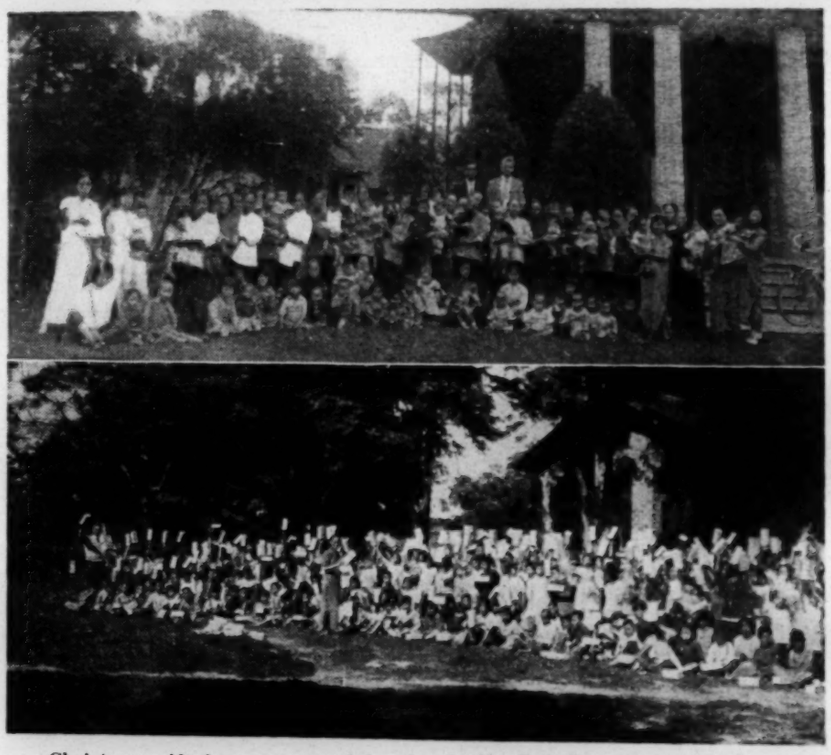
Heavy fighting, meanwhile, is reported to be still raging in the Taihan mountains, west of the highway between Changtze and Kaoping. In a battle at Wangtsun, west of Changtze., units of the 98th Army, it was claimed, routed a force of 2,000 Japanese, of whom 800 were killed, while a column of the 27th Army attacked and liquidated a strong force of Japanese southwest of Changtze. It was further claimed that the Hung-tung-Tunliu highway, which is the only remaining supply line for the Japanese, had been cut by Chinese guerillas.

With the Shansi battle gradually coming to an end, another major Japanese drive is looming either in south Hupeh or north Hunan as more than two divisions of Japanese troops are reported to have concentrated in the Hankow region and central Hupeh. Additional Japanese reinforcements are said to be continuously arriving in Central China from the North, as well as from South China via Shanghai. According to a Chinese military spokesman, minor skirmishes have already been reported from Yochow, northern Hunan, at the Hupeh border; at Nanchang, northern Kiangsi; and at Ichang, western Hupeh. The Chinese army, the spokesman declared, is fully prepared to meet any eventuality.

Reporting on the Kiangsi field engagements, a *Kuomin* report from Kaoan said that Chinese forces fighting west of Nanchang had recaptured Hsishan and Wanshowkung, strategic points southwest of Nanchang, on June 1. During severe fighting, more than 300 Japanese were killed in action, it was claimed.

Chinese guerillas operating in southern Hupeh were also reported to have attacked the Japanese positions at Shihchenwan, Kweihwashan and Tashaping, southwest of Tsung-

Gifts From the Junior Red Cross



Christmas gift boxes prepared by the Junior Red Cross in America reached Chinese refugee children in Hofei, Anhwei province, last Yuletide. Thousands of these boxes were distributed by American missionaries. In the upper picture the tinier tots are shown with theirs. The older children are seen in the lower view.

yang, in southern Hupeh on June 2. It was claimed that heavy losses were inflicted on the Japanese.

Nuisance Attacks

Other Chinese guerilla units were reported to be launching numerous "nuisance" attacks against the Japanese positions in central Suiyuan province, on the outskirts of Tsingtao in Shantung Province, and in areas around Lake Tungting and Lake Poyang in the Yangtsze valley. The Japanese launched a number of furious mopping-up operations within these regions, but with unsatisfactory results. The Chinese guerillas frequently ambushed large numbers of Japanese columns, according to Chinese field dispatches.

In eastern Chekiang, the Chinese forces last week claimed to have recaptured Hsiangshan after routing a strong Japanese garrison in that sector. The Japanese were said to have retreated to Nanpao, south of Hsiangshan.

(Continued from Page 44)

engaged in holding a National Publicity Conference. According to reports by the **Central Press Service,** Wang's news agency, four sessions were held from June 1 to June 4 at the Sino-German Cultural Association headquarters in Nanking.

While attended by senior Japanese advisers, the conference was apparently not attended by any foreign newspapermen.

During the conference, speeches were delivered by Wang Ching-wei and his Publicity Minister, Lin Pai-sheng, as well as their Japanese advisers. A number of resolutions were said to have been adopted.

From Tokyo last week came a **Domei** report that the European Axis powers would be entering into diplomatic relations with the Wang Ching-wei government. The statement was made on June 10 by Mr. Koh Ishii, Deputy Spokesman for the Cabinet Information Board who, however, failed to give a definite time for the Axis action.

Complaint Against Axis

That there is some dissatisfaction in Tokyo at the delay in Axis recognition of the Nanking regime, was indicated on June 8 by the reactionary newspaper **Kokumin.** The paper declared it was difficult to find reasons for continued lack of recognition, which today was all the more necessary in order to "strengthen the common front against the democracies." Since Japan had hastened to recognize the German puppet state of Croatia, created by the dismemberment of Yugoslavia, the European Axis powers should be "sincere enough" to reciprocate by recognizing Nanking, the paper stated.

(Continued from Page 45)

sions in a vain hope of buying peace, and to intend to use any such concessions for the establishment of special rights and privileges which are to serve, in turn, as bases for political and military penetration. This is what the Japanese really want.

It is not to be wondered at, then, that the Japanese find it extremely hard to persuade and bully the Netherlanders into giving way. The Netherlanders perfectly well realize what they are up against. But fortunately they are not "on the spot" as was French Indo-China. They are well-armed and prepared to defend themselves, and they have every reason to expect full-fledged American and British aid should they be made the object of an open Japanese attack.

U.S. Army Ordered to Take Over Strike-Bound Aviation Factory

The United States Army, on orders from President Roosevelt this week took over the strike-bound North American Aviation Corporation's plant at Inglewood, California. This drastic action, the first such step since the President proclaimed a state of unlimited emergency, was taken after strikers had rejected a plea by Mr. Richard Frankensteen, C.I.O. national director for aviation, to return to work in the huge aviation plant turning out U.S.$191,000,000 worth of planes for Britain and the United States.

The army, in taking over the factory, said it would protect the property and the men who desired to return to work. Picket lines were opened so that workers might enter the plant without interference from strikers. Operations are now returning to normal.

Workers to be Secured

If returning mechanics prove insufficient to handle the construction of planes, the Civil Service Commission will be requested to secure enough aircraft workers to man the plant under military protection and supervision.

The strikers, members of the United Automobile Workers of the Congress of Industrial Organizations, were earlier given four days to come to terms with the company. Local union leaders, however, encouraged the men to oppose the U.A.W. and C.I.O. international officials who had outlawed the strike and suspended all officers of the North American's local union, its negotiating committee and also five international strike organizers.

The North American Aviation Corporation, using an efficient production-line system in making planes, is the second largest airplane factory in southern California and hence an important unit in the national defense plan. The Company normally produces 250 fighters, bombers and training planes monthly for the United States and Britain, and employs well over 9,000 men. The monthly payroll exceeds $1,500,000.

Inter-Union Disputes

The plant has been a continual source of labor ferment since the defense boom started, partly because of inter-union A.F.L. and C.I.O. disputes. Exclusive bargaining rights were demanded by the C.I.O. local some months ago, at which time the company refused to recognize the union until it had been certified by the National Labor Relations Board. A secret ballot held under the supervision of the board, however, failed to give either the C.I.O. or the A.F.L. the majority of votes required for certification as exclusive bargainers.

The latest strike was called on June 5 in an effort to enforce union demands for a minimum wage rate of 75 cents per hour instead of the present 50 cents, and also a ten-cents hourly raise for all employees. The walkout occurred while company and union officials in Washington were conferring with the National Defense Mediation Board.

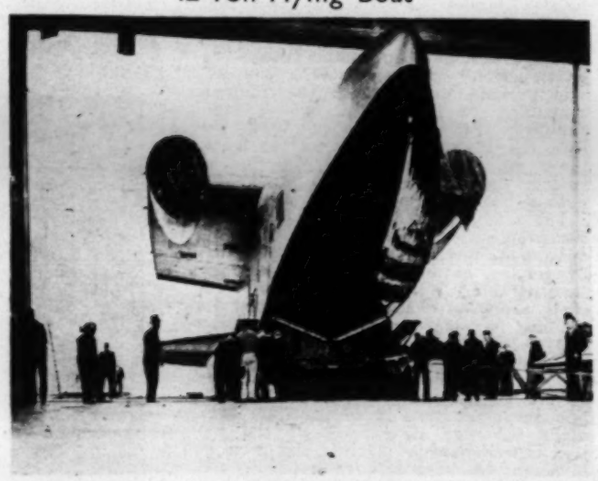
High administration officials have blamed communists for the strike and are using the World War Edict of President Wilson to "work or fight" as precedent for plans to ask President Roosevelt to withdraw draft deferments of workmen engaged in strikes at defense plants.

More Defense Strikes

Meanwhile, two other major strikes are still holding up execution of national defense orders in the United States. These are the walkouts of machinists at the Bethlehem Shipping Yards on the West Coast, and the lumbermen in the state of Washington.

Although drastic action has not yet been contemplated in these strikes, the Office of Production Management has sent a message to the union men asking them to return to their jobs.

42-Ton Flying Boat



First unit of six new Boeing Clippers, being built for Pan American Airways, for service across the Pacific Ocean via Hawaii-Philippines-Hongkong and Hawaii-Australia-New Zealand-Netherlands Indies. The plane weighs 42 tons.

Bomb Explodes at Home Of Local Mitsui Head

A bomb placed by unknown persons on the verandah of the palatial home of Mr. Yutaro Hanawa, local head of the Mitsui Bussan Kaisha, exploded with tremendous force on Wednesday night of this week. Although the blast shook the neighborhood for blocks around, no one was reported killed or injured.

Mr. Hanawa's home, situated in extensive grounds, is at the corner of Rue Lafayette and Rue Pere Robert in the residential section of the French Concession. After the blast, French police cordoned off adjacent streets and notified the Japanese authorities, who sent out a large force of gendarmes to occupy the residence and grounds. Extensive search failed to reveal the person or persons responsible for placing the bomb, which was presumed to have had a timing device.

Apart from his business interests, Mr. Hanawa is a member of the Shanghai Municipal Council and the sole Japanese member of the American Club.

Myron Wiener Home From Hospital Spell

Myron Wiener, American attorney, who has been confined to the General Hospital for the past six months suffering from anemia, returned to his home this week considerably improved in health. Mr. Wiener is a member of the law firm of Rodger and Wiener.

Three-year Plan for China Outlined At Kuomintang Plenary Session

BY SHAO YEN-CHING

At its Eighth Plenary Session held from March 24 to April 2, the Fifth Central Executive Committee of the Kuomintang adopted an "Outline of the Three-year Plan For War-time Reconstruction" proposed by Gen. Chiang Kai-shek, president of the Supreme National Defense Commission. The Plan covers practically all fields of war-time reconstruction and is expected to have an important bearing on the future "reconstruction" policy of this country. The period during which the Plan is scheduled to be carried out is from January, 1942 to December, 1944. Before the Plan is actually set to work, there will be a preliminary period of half a year (July-December, 1941) for making all necessary preparations.

The aim of the Plan, as indicated by its proposer, is on the one hand to ensure the final victory and on the other to render national defense absolutely invulnerable. With these ends in view, it is proposed that the nation and its defense be placed above anything else, and overrule all party differences. In the field of economics, the foundation of the "national defense" economy should be laid and the work of economic reconstruction is to continue even after the war is over until the nation is well guarded against any form of invasion. All political, economic, social and cultural efforts of the nation shall center on the defense of the nation and are to be directed in such a way as to meet the defense requirements. The following are the various phases of reconstruction (political, economic, social and cultural) as proposed in the Plan.

I. **Basic Political Reconstruction:** Basic political units are to be set up and local autonomy established in accordance with the teachings of Dr. Sun Yat-sen. With these political units as the base, efforts will be made towards the realization of Dr. Sun's "Three Principles of the People" (namely, the Principle of Nationalism, the Principle of Democracy, and the Principle of Livelihood):

(1) For the realization of the Principle of Nationalism, attention should first be directed to the enforcement of health measures, establishment of local defense, conduct of nation-wide people's military training, and the development of physical education, in order to build up local defense forces against foreign aggression.

(2) For the realization of the Principal of Democracy, attention should first be directed to the spread of education and the training of people in exercising political rights, so as to lay the foundation of democracy.

(3) For the realization of the Principle of Livelihood, attention should first be directed to the establishment of productive enterprises, development of communications, promotion of co-operatives, strengthening of food control, and the execution of a land policy under which all peasants will become farm owners.

II: **"National Defense" Economic Reconstruction:** (1) In regard to financial and monetary matters, the following steps shall be taken:

(a) To co-ordinate the financial potentialities with monetary potentialities, to develop economic resources, and to regulate the sources of taxes so that the demands of war may be met and the foundation of post-war recovery be laid.

(b) To expand and promote the direct taxation system on the principles of universality and equality so as to consolidate the principal organism of the national tax.

(c) To expand the existing indirect taxation system and to specify a large amount of daily necessities for government monopoly so that both the nation's interest and people's livelihood will be co-ordinated.

(d) To hold the Central Government responsible for the adjustment of provincial finance and to make the **hsien** (district) finances independent of and separate from the provincial finances, so that local autonomy may be realized through the parallel development of the four policies of **hsien** administration.*

(e) To replenish the reserves of the legal tender and to regulate the note issue with a view to upholding its value; to strengthen the financial organization and its control in order to improve its functions and efficiency.

(f) To readjust foreign trade, improve trade relations with friendly powers and secure their full assistance through the system of barter or reciprocity.

(2) In regard to communications, the following steps shall be taken:

(a) To build more international lines of communication and lines leading to coastal cities so as to facilitate the import of necessary resources by the Government.

(b) To improve and develop the inter-provincial systems of communication and transportation in order to meet the demands of the nation's economy.

(c) To improve the system of communication between the front and the rear in preparation for the struggle for final victory.

(3) In regard to industries and mining, the following steps shall be taken:

(a) To hasten the production of arms and military supplies, and the provision of raw materials needed for such production in order to meet military requirements.

(b) To make active efforts to increase the volume of exports with a view to securing foreign exchange.

(c) To encourage and promote the production of daily necessities in order to maintain the people's livelihood in the rear.

(d) To set up basic industrial and mining enterprises for laying the foundation of industrialization.

(e) To set up first those industrial and commercial enterprises which are most urgent and likely to be completed within a short time, and to strive to make the increased production of these enterprises commensurate with their expenditure.

(f) To direct and guide the government and private enterprises to get along in a co-operative spirit.

(g) To lay emphasis on the training of technical experts, besides industrial planning.

(4) In regard to agriculture, forestry and hydraulic works, the following steps shall be taken:

(a) To increase, by scientific methods, foodstuffs and clothing materials, special products for exports, farm cattle, draught horses and to improve their quality.

(b) To develop resources in respect of agriculture, forestry, fishery and animal husbandry.

(c) To take precautions against any possible calamities to agriculture, forestry, fishery, and animal husbandry.

(d) To promote products in connection with agriculture, forestry, fishery, and animal husbandry and improve their quality so as to meet the demands of both the domestic and foreign markets.

(e) To render assistance to farmers' organizations, improve farm management, and improve and encourage subsidiary occupations with a view to the development of rural economy.

III. **"National Defense" Social Reconstruction:** The "national defense" social reconstruction is to be developed along the following lines:

(1) People's organization and training to be strengthened to co-ordinate with military activities, so that national mobilization may be effected.

(2) People's livelihood be stabilized for the well-being of society and the maintenance of public order in time of war.

(3) The co-operative movement be promoted and co-operative organizations developed in order to bring about social-economic development during the war time.

(4) War refugees to be afforded relief, refugee children to be fed and educated, and refugees' organization and training to be strengthened.

(5) Health service and work of epidemic prevention to be promoted so

* These four policies are named *kuan, chiao, yang,* and *wei,* which may be literally interpreted as "discipline," "teaching," "livelihood" and "defence" respectively.

Orphan Boys Carry Their Own Breakfasts

Chinese youths in the Catholic Tou-Se-Wei orphanage at Shanghai carry American Red Cross wheat and rice to the school's storage rooms.

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that man-power in the present war may be conserved.

IV. **"National Defense" Educational and Cultural Reconstruction:** All educational work in the coming three years shall be pursued on the lines as adopted at the Fifth National Kuomintang Congress and the Provisional National Kuomintang Congress. It shall keep pace with political and military progress and social reconstruction activities in such a way that the training and educating of men will cope with the development of all reconstruction enterprises. The administration of the various classes of education shall be as follows:

(1) People's (or Citizens') Education. The people's (or citizens') education should be promoted in line with the new system of **hsien** administration. Within the three-year period, there should be established a "center school" in each **hsiang** (village) or **chen** (town), and at least a people's (or citizens') school in every two **pao*** in the following provinces: Szechwan, Sikang, Kweichow, Yunnan, Shensi, Kansu, Ninghsia, Chinghai, Sinkiang, Kwangtung, Kwangsi, Fukien, Kiangsi, Hunan, Hupeh, Honan, Chekiang and Anhwei.

(2) Secondary Education. In promoting secondary education, emphasis should be laid on both quality and quantity so that it may be linked to the people's (or citizens') education and higher education, and also meet the requirements of the "national defense" projects and productive enterprises. Special emphasis shall also be laid on the expansion and improvement of normal school education and women's education.

(3) **Higher Education.** The Central Government authorities should undertake to adjust and expand the higher education as far as conditions permit, with due regard to the demands of the various enterprises. Steps should be taken to encourage the establishment of technical institutes and to replenish the equipment and facilities of the existing colleges and universities. More postgraduate schools shall be established. When new colleges and universities are established, attention should be paid to the parallel development of the various courses of study.

(4) Social Education. In promoting social education, special emphasis should be laid on the betterment of people's livelihood, improvement of their knowledge, elevation of their morals in the dual task of "war and reconstruction." Besides conducting the ordinary work of social education, the authorities should also lay stress on the compilation of teaching morals, training of the teaching staff and the expansion of the subjects of teaching so that a universal spread of education may be achieved.

(5) Frontier Education. Frontier education should be provided with ample funds and should be extensively developed with due regard to its adaptation to local conditions, so that the foundation of national unity may be laid.

(6) Education in Guerilla Areas. Education in the guerilla areas should be promoted with increasing vigor and should be closely linked to the development of military and party affairs.

(7) Overseas Chinese Education. The education of overseas Chinese should be developed by methods adaptable to local conditions. Emphasis should first be laid on the training of teaching staffs and the compilation of teaching manuals. A system of guidance and inspection of overseas Chinese education should be inaugurated in order to establish a closer contact with Chinese overseas.

* Each *pao* as a general rule, contains 10 *chia* or 100 households.

Jewish Refugee Problem Probed

Miss L. L. Margolis, investigation agent for the Joint Jewish Distribution Committee in New York, states after a preliminary survey of the refugee situation in Shanghai that the city has done good work in handling the Jewish immigrant problem.

Miss Margolis, a recent arrival in Shanghai from America, worked for the Committee two and a half years in Cuba and expects to spend a year investigating the local Jewish immigrant problem for the New York organization which sends generous monthly donations here for immigrant aid. She expressed herself to the **Evening Post** as being "pleasantly surprised" with the situation here and considers the Pingliang Road camp "good as such places go."

Optimistic about the future of the Jews in China, she points out that many of them have already set up small shops and offices and are filling a gap in the medical and other scientific professions. Many of them are specialists in these fields. Miss Margolis explained, however, that their future here depends on the local situation, the outcome of which no one can now predict. Were it not for war conditions, the inland provinces of China could use many of them, as they are now absorbing Jewish doctors in a small way. China would be greatly benefited thereby.

As regards immigration to other countries, Miss Magolis felt that nothing is possible on a large scale at the present time because of war conditions. Americans, as well as other nationals, are now too suspicious of fifth columnists to look kindly on immigrants. This attitude will probably change after the war, though, and Western Hemisphere countries will then absorb many of Shanghai's Jewish refugees.

Coolie Migration to Manchukuo Ending

The annual migration of approximately 1,000,000 laborers from Shantung and Hopeh provinces to Manchuria has practically stopped, according to a dispatch from the Peiping correspondent of the **North-China Daily News** on June 8. The dispatch stated that the cessation of the migratory movement "is a very striking example of the way the new order in East Asia shrivels up every kind of activity that it touches."

Continuing, the dispatch stated that the Japanese were now sending agents to all the towns and villages in North China, telling the people about the glories of Manchukuo, but the coolies, because of past experiences since the Japanese occupation, remained cool to the elaborate Japanese propaganda campaign which includes the display of pictures depicting Manchukuo as the ideal paradise on earth.

The Peiping correspondent said that the annual migration of Chinese laborers from the congested provinces of North China constituted an important element in the economy of the Northern Chinese areas because the coolies remitted back to China vast sums which they received in wages and trading ventures. Causes for the Japanese failure to induce the coolies to continue the migration are manifold, the chief one being the Japanese mania to "control everything."

In the first place the Japanese forced each coolie to obtain a special permit, with his photo, for which he was compelled to pay a considerable fee. Following the registration, the coolies were treated like conscript laborers. A further element resulted from the Japanese attempt to force the coolies to use the the various brands of Japanese-controlled currency, including Manchukuo Yuan and F.R.B. notes, upon which the coolies lost money at each exchange transaction.

In order to overcome Japanese regulations against remitting money from Manchukuo to North China provinces, the coolies invested their money in Manchurian products which they attempted to bring home with them, but the Japanese quickly put an end to this by classifying all such merchandise as smuggled goods. Since most of the coolies went to Manchuria in order to earn money for the support of their families, the Japanese currency regulations constituted the last straw that dried up the stream of immigration completely. The correspondent referred also to the "1001 missions, commissions, societies, and monopolies" which the Japanese had set up announcedly for the benefit of the Chinese people.

Ranking Nazi Leader Arrested in the U.S.

Herr Kurt Reith, said to be a high ranking Nazi leader, was arrested May 30, after his entry into the U. S. from South America. He was charged with giving a false explanation in order to obtain entry into the U.S.A. It was reported that Herr Reith's visit to the U. S. was connected with an attempt to purchase at a low price American oil holdings in the Near East which are now threatened with involvement in the war. The German Embassy, however, alleged that Herr Reith's visit was purely personal for the purpose of looking after his own investments in American companies. According to Robert H. Jackson, U. S. Attorney General, the Nazi official entered the U. S. from Mexico at Brownsville, Texas, March 26. F.B.I. officials said that Reith had traveled extensively in South America and was the number one Nazi in the U. S. Reith originally was a Belgian but switched in 1914, later becoming an official in Germany. He served in the German diplomatic service at Rome and Paris and was minister to Austria in 1931. After Engelbert Dollfus, the Austrian chancellor, was slain in 1934, there were allegations that Reith had some connection with an Austrian political plot, in consequence of which he was recalled to Germany. According to sensational reports in American papers, Reith was concerned with a plot to incite war between Peru and Ecuador. It was also reported June 2 that the German American Bund, leading Nazi organization in the U. S., might be ordered to disband as a result of action by the New Jersey state police, who allegedly discovered maps, emblems, and letters following a raid on one of the Bund's camps.

U.S. Army Pilots Assigned to P.I.

Sixty-nine United States Army Air Corps pilots have been assigned to duty in the Philippines and were to sail from San Francisco on June 12, **United Press** reported from Washington last week. An additional forty pilots assigned to the Hawaiian Department will sail June 17, while 56 men from Kelly Field, Texas, and 30 from Brooks Field, Texas, will sail for Hawaii on June 24.

Battleship South Dakota Launched in New Jersey

Launched four months ahead of schedule, the U.S.S. South Dakota, new 35,000-ton United States battleship, slid down the ways at Camden, New Jersey on June 7 and is expected to be commissioned for service within six to twelve months. Costing U.S.$70,000,000, the new dreadnaught mounts a formidable battery of nine 16-inch guns and 36 smaller pieces. At the conclusion of the launching ceremony, Secretary of the Navy Frank Knox officiated at the laying of the keel of a new 10,000-ton cruiser, the Santa Fe.

New Hongkew-Kiangwan Driveway to be Built

The Shanghai **Mainichi** reported last week that with an appropriation of Yen 350,000 the Shanghai Real Estate Company, a Japanese concern, is planning to construct a four-and-one-half kilometer "ideal boulevard" to connect Hongkew with the Civic Center at Kiangwan. The Civic Center is the seat of the puppet City Government headed by Mayor Chen Kung-po. The projected boulevard is to be 50 meters wide, with a two-meter strip in the center, for trees, to separate the traffic lanes. Trees will also be planted at the sides, the paper said.

Cost of Living Index Spurts Upward Again

The index of the cost of living of Chinese workers in Shanghai shot upward again in May, according to figures released by the Shanghai Municipal Council. With 100 as the base figure for 1936 (the pre-hostilities year) the figure had risen to 802.68 in May as compared with 732.79 in April and 382.91 in May, 1940. The purchasing power of the Chinese dollar has declined by 87.54 percent since the hostilities and is now worth only 12.46 cents in terms of its former value.

Another S.M.C. study shows that the cost of living index of foreigners stood at 249.89 in May, with 100 as the base in October, 1939. The increase over the month of April was 13.45 points. The purchasing power of the Chinese dollar, in this index, stands reduced by 59.98 percent in May as compared with its October, 1939 value.

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U-S. Takes Over Control of Ships

Virtually complete control over the American merchant marine was vested in the hands of the United States Maritime Commission on June 5 when the Commission invoked the 1916 Shipping Act.

The resurrection of this relic of World War I gives the Maritime body power to approve or reject the transfer of vessels to foreign registry, or sale of tonnage to non-Americans. It also grants the Commission permission to re-shape thte ship-building industry to meet its desires.

Foreign Ships Taken

Coincident with the invocation of the 1916 Shipping Act was the signing of the foreign ships requisition bill by President Roosevelt on June 6. The bill authorizes the United States to seize 84 ships throughout the United States and its possessions.

Affected by this legislation is foreign tonnage totaling 459,000 tons, including ships belonging to Germany, Italy, Holland, Estonia, Lithuania, Rumania, France, and Denmark. Although it is rumored that the President has ordered the seizure of the 83,424-ton French luxury liner, Normandie, which has been tied up in New York since the outbreak of the European conflict, no official confirmation of the report has been made. President Roosevelt has so far even refused to divulge whether any French vessels, which have had coast guardsmen posted on them recently, would be immediately affected by the order.

Executive Order Issued

In addition to signing the requisition bill, the President on the same day issued an executive order which gives the bill a means of functioning. The order empowers the Maritime Commission to take over and supervise the operation of the vessels for the nation's good. In gaining control of the ships, it is authorized to either purchase, requisition or charter them. Due recompense is to be paid to their owners.

The executive order allows the bottoms to operate to any neutral country in the Western Hemisphere, and also permits the United States to charter these ships to any neutral country in latin or north America. The sole restriction on disposition of the vessels is that they cannot be transferred to a belligerent power without the President's specific consent.

Maritime Commission sources revealed that no crews are yet ready to take over the vessels, which will be placed in the 2,000,000-ton emergency pool for national defense and aid-to-Britain purposes. The 11 tankers falling under the order are sorely needed for inter-coastal traffic as a result of the assignment of 50 United States tankers to Britain.

Ships in Far Eastern waters affected by the bill are the Gertrude Maersk, the Hilda Maersk and two others, which since March 31 have been under protective custody in the Philippines. Navy authorities in Manila took over the four Danish ships on June 7, immediately after the bill was signed by the President and became law.

President Ships Taken

Meanwhile, routine confirmation of the requisitioning of the trans-Pacific President liners and other vessels was made by the United States Maritime Commission on June 4. The Commission formally announced that it had purchased 28 ships from various American lines, of which the navy will get 21 and the army seven for national defense purpose. Five vessels formerly owned by the American President Lines will be turned over to the army. They are the 21,936-ton President Coolidge, the 12,579-ton President Pierce, the 12,562-ton President Taft, the President Cleveland and the President Hayes.

No information is yet available, as to when the ships will be taken off their regular runs. A company spokesman announced, however, that the line would still retain eight round-the-world liners and several freighters which it will continue to operate on the trans-Pacific schedule.

Some for Navy

The United States Navy will receive the 27,000-ton America, largest vessel ever constructed in the United States, the 24,289-ton Manhattan and the 24,289-ton Washington from the United States Lines, as well as the President Johnson and the President Adams from the American President Lines.

Another Maritime Commission announcement, issued on June 3, states that arrangements have been concluded by which American ships will handle all British shipping from the United States and Canada to Australia and New Zealand. This will release a dozen or more British bottoms for "Britain's war effort."

Fiscal Conference to Convene on June 15

The National Finance Conference, which was originally scheduled to be held in Chungking middle of July, will be convened instead on June 15, according to a *Kuomin* report quoting information from the Ministry of Finance.

The main question on the agenda is that of improving the yield of land taxes in all provinces. These taxes are to be collected by the Central Government, instead of by the provincial authorities.

The conference will also endeavor to bring about coordination of the financial system of the country through a readjustment of all local taxation and will have as its final aim the adaptation of various local programs of economic reconstruction to the financial possibilities of the country, according to *Havas*.

Mr. Kwang Chi-yu, it was learned, has been appointed secretary-general of the conference.

Soviet Envoy in Tokyo Ill of Strange Malady

M. Constantin Smetanin, Soviet Ambassador to Japan, was this week reported to be suffering from an "unidentified disease" accompanied by high fever. Soviet physicians were flown to Tokyo from Habarovsk in a Japanese army plane to attend the ailing envoy, whose condition was said to have improved somewhat following treatment.

Italian War Casualties Announced in Rome

As the first anniversary of Italy's entry into the war approached this week, Rome announced the country's war casualty list, the total reaching more than 300,000 men. Army dead numbered 17,622, wounded 45,779, missing 132,523. Navy dead totalled 1,075, wounded 1,301, missing 6,146. Air force dead numbered 514, wounded 825, missing 1,613. The Italian Air Force lost 232 planes for 1,439 enemy craft shot down, the report stated. Losses of naval craft totalled 64,446 tons, of which two-thirds represented cruisers.

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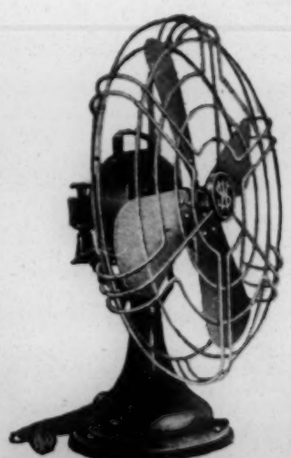

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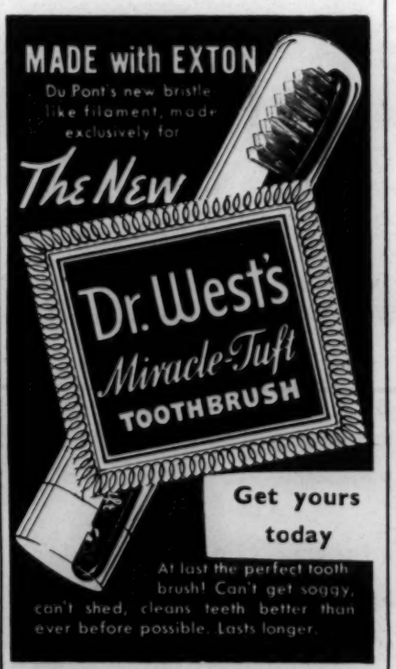
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700 Perish in Chungking Dugout; Officials Hit for Negligence

Three high Chungking officials were dismissed, but ordered to retain their posts, by General Chiang Kai-shek on June 7 for negligence of duties resulting in death by suffocation of approximately 700 people in an air-raid shelter during a June 5 Japanese naval air bombardment of China's capital. The civilian Chinese deaths occurred when a ventilation system failed to function after the entrance to what is considered to be the world's largest dugout had been blocked by Nipponese bombs.

The dismissal order, reported by **Kuo Min News Agency**, was issued by Chiang Kai-shek only two days after the tragic incident occurred and reads as follows:

"....The responsible authorities cannot evade the charge of negligence in the performance of their duties. Liu Chih, Air Defense Commander; Hu Pai-han, Deputy Air Defense Commander; and Wu Kuo-chen, Mayor of Chungking, are hereby dismissed from office but instructed to retain their posts (that is, carry on their duties).

"The above-mentioned officials are hereby ordered to attend to all matters relating to payment of pensions to the families of the dead and wounded, on the one hand; and to improve air defense facilities, on the other."

The June 5 raid, carried out by 72 Japanese planes from a naval base in Central China, was the first night attack of the current bombing season. High explosives were dropped over both the modern suburbs and the old walled city district for more than four hours. The first planes dropped flares, to light up targets, but the waves of bombers which followed used fires which had been started as guides for their missiles.

The bombs claimed few victims but the 700 suffocation deaths shot the casualty figure up to the highest so far this year. Whole families were wiped out in the disaster. More than 60 percent of those who died comprised women, while child victims formed another 12 percent. Burial of most of the bodies occurred immediately, because of the hot weather. Corpses which were not at once identified were placed in a common grave.

Not content with the June 5 indiscriminate bombing, Japanese flyers again dropped explosive and incendiary bombs on Chungking during the afternoon of June 7. The destructive missiles this time landed on the business district of the old city and a section of the south bank a few miles from the American Embassy. Damage was said to be as great as any caused by the previous seven raids on the wartime capital this year. One bomb damaged the ambassador's office in the British Embassy which was being repaired because of damage sustained in a previous attack.

At least six fires were started in the raid, two of them in the western part of the town. One of the conflagrations burned out almost a whole block along the main shopping street, including the offices of the Eurasia Aviation Corporation and the popular tabloid, **Hsin Min Pao**. Few casualties were reported from the attack, however.

Arrives

Clarence E. Gauss, new American Ambassador to China arrives in Chungking. Mr. Gauss served for several years as Consul-General at Shanghai and elsewhere in China, but his most recent position was as Minister to Australia.

Shimonoseki-Moji Tunnel Reported Near Completion

The undersea railway tunnel between Shimonoseki and Moji is near completion, according to a **Domei** report from the former city and the first train is expected to run through it some time this summer. Work on the project has been proceeding for four and a half years.

Gov't Appointments And Transfers

The following appointments and transfers of officials of the National Government were confirmed in mandates issued at Chungking during May:

Hsu Kan, political Vice-Minister of Finance appointed chairman of Examination Committee for selection of financial and monetary experts; members of the committee appointed included, Chang Tao-fan, Li Hsi-en, Chen Hsing, Li Tang, Pang Sung-chao, Tai Lo-feng, Hsu Pai-yuan, Ku I-chun, Chang Chungtao, Lin Hu-cheng, Yang Chao-hsiung, Li Te-yin, Pan Hsu-lun, Tsui Ching-pai, Chao Lan-ping, Yin Wen-ching. The following diplomatic and consular appointments were announced, Chen Lo-shih, vice-consul at Suva; Yo Lun, vice-consul at Milan; Wang Liang-tsai, vice-consul at Sydney; Wei Tao-ming, Ambassador to France.

Other appointments and transfers included, Wen Yu-ching, relieved of duties as director of telegraph department of Ministry of Communications and transferred to another post; Liu Kai-chung appointed counsellor of Executive Yuan; Chang I, director of general affairs dept. of Ministry of Education appointed director of secondary education of Ministry; Chien Huang-chang and Tsou Shen-fu appointed sectional chief and section member, respectively, of Executive Yuan; Wu Te-hsing relieved of duties as section chief of Executive Yuan and Chien Huang-chang also relieved of duties as section chief of Executive Yuan and transferred to other posts; Chen Li-kiang appointed counsellor of Ministry of Education, his previous post being director of social education dept. in Ministry; Mongolian Prince Tu-Pu-Sheng-Chi-Erh-Ko-La of Ordos League, Suiyuan, and lineal descendant of Genghiz Khan (A. D. 1162-1227) visits Chungking to report on situation of Mongolian leagues and banners in Suiyuan; Pang Sung-chow appointed administrative vice-minister of new Food Ministry; Li Chi-tang appointed member of Overseas Affairs Commission; Lei Yin, administrative vice-minister of Interior, completes inspection of western Yunnan and proceeds to Kwangtung and Kwangsi; Hsu Kung-su, director of department of general affairs of the Ministry of Foreign Affairs, appointed Counsellor of Chinese Embassy in France; Wang Lu-I appointed Control Yuan commissioner for Shansi-Shensi area; Wen I-yu, director of accounting bureau of directorate-general of budgets, accounts and statistics, sent to inspect Kwangtung, Hunan, Kiangsi and Kweichow; Cheng Chung-hsiang appointed Secretary-General of Control Yuan; Tseng Yen appointed to Legislative Yuan in place of Cheng Chung-hsing, who was appointed to another post; Chang Chih-pen appointed Secretary-general of Judical Yuan; O. K. Yui (Yu Hung-chun) appointed Political Vice-Minister of Finance in place of Hsu Kan who was appointed to another post; Ku I-chun appointed acting administrative vice-minister of Finance to serve pending return from London of Dr. Kuo Ping-wen.

The Government also announced the following appointments and transfers among provincial officials: Chow Shih-tai appointed section chief of accounting department of Kwangtung; Chen Chi-hsiu appointed secretary-general of Honan provincial party headquarters in place of Chang Yu-lin, who was appointed member of executive committee of Honan party headquarters; Chen Kuo-chen appointed deputy director of Suiyuan provincial food control administration; Yu Chieh appointed director of Suiyuan food control administration; Chang Tao-min appointed member of Kwangtung provincial government and provincial commissioner of finance in place of Tsou Lin, who has resigned; Ma Hung-wen appointed member of Hopei provincial government; Hung Sheng appointed chief secretary of Jehol provincial government; Lin I-shun member of Hupeh provincial committee relieved of concurrent post as commissioner of reconstruction; Chu I-cheng appointed member of Hupeh provincial committee and also commissioner of reconstruction for Hupeh; Ma Hung-wen appointed member of Hopei provincial committee; Wu Fen and Liao Wen-fen appointed members of Hunan provincial committee; Hu Mai appointed member of Hunan committee and concurrently commissioner of finance for Hunan; Chu Chao-sen appointed member of Kwangsi committee and concurrently chief secretary of provincial government: Peng Jo-kang appointed member of Honan committee and also provincial commissioner of finance; Chen Wen-teng of Ministry of Education inspects conditions of civic educational institutions in Kwangtung; Liu Hou-wu, member of Control Yuan for Liang-Kwang, inspects work of civil administrative organs in West River area of Kwangtnng; Chow Fei and Liao Wei-fan appointed members of Hunan provincial committee; Ministry of Education confers special honor on Ma Pei-lieh of Linhsia District, Kansu, who contributed large sum of money to establish primary schools in Chinghai (Kokonor) and other frontier districts. Mr. Ma will be given a special tablet of honor.

Doihara Made Head of Aviation Inspectorate

General Kenji Doihara, frequently referred to as the "Lawrence of Manchuria," was this week appointed Inspector-General of Military Aviation, according to reports from Tokyo. He will succeed Lieut.-Gen. Tomoyuki Yamashita and will retain his membership of the Supreme War Council. General Doihara was in command of an independent brigade in North China in the early stages of the Sino-Japanese war and narrowly escaped defeat at the hands of Chinese forces. He was relieved of his command and sent home.

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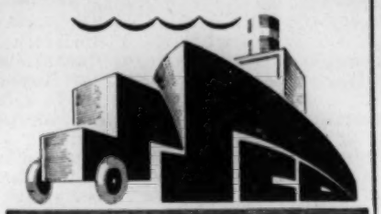

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Loans to Farmers Feature China's Program of Rural Rehabilitation

BY WILLIAM CHANG (張雲鵬)

Ever since the wartime capital was shifted to western China, the Chinese Government has paid considerable attention to the welfare of the farmers and the prosperity of rural communities. So great has been the emphasis that rural rehabilitation in the form of increasing foodstuffs, land reclamation and handicrafts forms the major purpose of the credits of the government for 1941, declared an official of the Rural Finance Department of the Joint Control Board of the Four Government Banks.

While it is too early to predict the amount of loans to be granted this year, it is expected that the grand total will be around $400,000,000. Already contracted are several big loans, including $136,000,000 for Szechwan and $30,000,000 for Shensi. Total rural credits outstanding at the end of 1940 in the provinces of Free China amounted to $209,502,167, according to the statistics of the department.

1940 Pattern Followed

The extension of rural credits this year, except with a few modifications, will follow the general principles set in 1940. The four government banks will continue to carry on their program of financing the rural communities by "joint" and "individual" ways. The extension of credits to areas with special geographical or other conditions will be carried out jointly by the banks or their branches and agents. Credits in all other places will be given individually by the banks in accordance with a general plan.

The administration of rural loans this year will emphasize the increase of crops and the promotion of land reclamation, irrigation, handicraft and home industries in the rear provinces. In areas near war zones stress is to be laid on self-sufficiency in food supplies and on assistance to organizations having a bearing on the production and marketing of farm products. Credits in recovered territories are to support rural rehabilitation enterprises.

Loans contracted last year between the department and the provincial governments are still valid this year. Their totals, however, may be increased or decreased according to existing requirements. Provincial governments which have not yet received credits from the department are requeseted to negotiate with its branch offices. Final approval is to be obtained from the head office in Chungking.

Bank Percentages

The Farmers Bank of China is responsible for 45 percent of the total amount of loans to be extended to the farmers this year. The Bank of China takes care of 25 percent, while the Central Trust and the Bank of Communications will each extend 15 per cent.

In granting the credits, the department emphasizes direct assistance to farmers' associations and groups, but with due reference to the progress of cooperatives in the particular districts. It also wants to assist in the establishment of **hsien** cooperative treasuries so as to put the foundation of rural financing on a cooperative basis. The branches and agents of the department are also instructed in the promotion of savings campaigns among the farmers, in addition to the rural extension work.

Loans are to be as equally distributed as possible. Amounts to be granted will depend largely on the actual needs of the farmers concerned. Loan procedures are to be simplified, and, above all, they must fit the seasonal needs of the peasants. The department's staff throughout interior China is required to participate in farmers' organizations and guide them whenever necessary.

The loans are classified into those related to production, irrigation, rural supplementary industries, promotion methods, implements and transportation. Loans may also be extended to poor farmers for the purchase of land or for paying off mortgages on their farms.

The $209,502,167 loan outstanding in the interior provinces at the end of 1940 does not represent the aggregate sum of credits extended to the farmers during that year, as those loans which were repaid before the end of that year have not been included in the statistics. Excluded also are farm loans already negotiated but not yet paid out by the banks at the end of 1940. The aggregate amount of money loaned to farmers in Free China in the eight-month period between June, 1939 and February, 1940, was given by the same source at $151,324,481.

Credits Outstanding

Of the $209,502,167 rural credits outstanding at the end of 1940, $80,746,385 was extended in Szechwan province, $18,306,342 in Hunan, $14,223,589 in Kweichow, $13,151,783 in Shensi and $12,578,797 in Kwangsi. With the exception of Shensi, financing of rural communities has largely centered on the southwestern provinces. The five provinces of Szechwan, Kweichow, Kwangsi, Yunnan and Hunan showed $133,729,146 or 63.83 percent of the total loans. Suiyuan in the northwest had only $57,000, while the farmers of Shansi and Ninghsia had $202,000 and $406,000.

Anti-British Terror Group Tried in Tokyo

The eleventh public hearing of the case in which Icho Sasai, 58-year-old former Director of the Dai Nippon Party, an ultra-nationalistic political organization, and Kenichiro Homma, 51-year-old head of a private school, as well as seven others charged with plotting the murder of pro-British Japanese notables last year, opened at the Tokyo District Criminal Court on June 4.

Under cross-examination, Homma admitted paying Y.800 to Kyoji Shimizu, 36, over the period June 16, 1939, to July 9, 1940, when latter visited his home at Yodobashi, Tokyo.

However, he denied the money was used for anything else than "spending money and to enlist the support of workers in the Mito and Fukushima districts for a nationwide anti-British movement."

Homma added that he did not imagine the money would be used as a "war chest" to assassinate prominent pro-British Japanese.

Regarding the dynamite found in his possession, Homma declared that he was "just keeping it temporarily and I did not have any idea it would be used for murder plans."

Quezon Puts Signature On Anti-Spy Measure

President Manuel Quezon last week signed the Anti-Espionage Bill which had been adopted by the Philippine legislature. The measure is designed to check espionage, sabotage and subversive activities by fifth columnists. It provides stiff penalties for those who may be found guilty of violations of the law.

Fascists Convicted in Leonof Assault Case

Giullo Costantini, secretary of the local Italian Fascist Party and a member of the Library Committee of the Shanghai Municipal Council, received sentence of 30 days in jail, transmuted into a fine of 1,500 lire, when he and three other Italians were found guilty in the Italian Consular Court, on Tuesday of this week, of assaulting George Leonof, city editor of *The China Press*. The sentence was suspended for five years.

Penucci, secretary to the press attache of the Italian Embassy, and Morelli, a physical culture instructor, each received a sentence of 15 days' imprisonment, transmuted into fines of 750 lire. Their sentences were not suspended as they had previous convictions. The fourth defendant, Corigliani, proprietor of the La Moda tailoring shop on Avenue du Roi Albert, was given a fine of 750 lire, suspended for five years.

The four fascists lured Mr. Leonof to a vacant lot in the Western District on May 23, believing that he was the author of an editorial in *The China Press* which they regarded as "insulting to Italy." In true fascist manner, the quartet made a cowardly assault on Mr. Leonof after he had refused to drink a large bottle of castor oil.

Costantini declared in court that the intended administration of castor oil to the victim—a plan which was frustrated by Mr. Leonof's resistance—was to have been a "symbolical gesture" in reply to *China Press* articles. "They call Shanghai an international city!" he declaimed. "It is international insofar as Italian marines help patrol the streets. But really it isn't. Shanghai belongs to British Jews, like Sassoon, and American interests who think they are superior to other people and can insult them."

Costantini inveighed against the "so-called democratic freedom of the press—which is actually the freedom to insult," and then uttered a threat: In Shanghai, he said, "one acts according to the weapons one has. In a few months time we will perhaps have more weapons."

The case was heard and sentences pronounced by Judge R. Rapex of the Italian Consular Court.

Japanese Press Rumors Visit by Molotov

The Tokyo newspaper *Hochi* stated on June 10 that Soviet Foreign Commissar V. M. Molotov would "quite likely" visit Japan this summer and that this was expected to go far in clearing up outstanding Japanese-Soviet problems and "cementing permanently friendly relations." Mr. Koh Ishii, deputy spokesman of the Cabinet Information Board, attributed the statement to the *Hochi's* "wishful thinking." He said it would take some time to settle various technical questions involved in any trade agreement between Japan and the U.S.S.R. and added that negotiations for a permanent fisheries treaty between the two countries are now in progress.

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City Puppets Seize Equipment Of Local Tuberculosis Hospital

Chinese officials of the pro-Japanese Nanking-controlled City Government of Greater Shanghai, entered the hospital buildings of the Shanghai Anti-Tuberculosis Association on June 6 and seized equipment valued at $200,000 being used there to fight the dreaded "white plague." The equipment, entrusted to the Association by the Chinese National Government, was removed in the presence of the French Police and over the protest of foreign Association officials.

This seizure, following an earlier removal of National Government property stored in a Concession godown, is believed to have placed into Mayor Chen Kung-po's hands the remainder of the equipment left behind by the former Municipality of Greater Shanghai in 1937. It is the first time the City Government has stooped so low as to order removal of instruments right out of the hands of doctors using them, however.

X-Ray Machine Taken

According to eyewitness accounts of the incident reported in **The China Press**, the international charitable association's X-ray machine, operating table, and other expensive foreign-made equipment were dismantled and carried down stairs and out of the building by Marden coolies while the hospital's American superintendents, Dr. Lee S. Huizenga and Dr. George Thorngate, stood helplessly by. Marden trucks were also used by the calloused representatives of the "New Order in East Asia" in carrying away the instruments.

The grab of the hospital supplies, furthermore, was carried out in the very presence of suffering patients who were threatened by City Government men with being deprived of even their beds. An appeal by hospital officials made to Mayor Chen's representatives to refrain from going through with their politically-motivated grab was met with refusal. Permission was not even granted to hold up the seizure until Mayor Chen, in Nanking at the time, could be appealed to.

A spokesman of the Nanking organization on the scene, in denying rumors that the equipment would be sold to improve the finances of certain political quarters, stated that the property belonged to Mayor Chen's organization and would be installed in a new hospital opening in Nantao next month.

Registrar Kidnapped

Another atrocity, believed to have been committed by the City Government during the last week, was the kidnapping on June 4 of Mr. Robert Sze, registrar of St. John's University.

Mr. Sze was abducted by three Russians and two Chinese in Tsaokadoo Village while on his way home from the college campus at 188 Jessfield Road. A limousine pulled up to the ricsha in which the registrar was riding and three armed men jumped out, dragging their victim to the ground. The political gangsters then clicked handcuffs—not used in non-Nanking inspired kidnappings—on to his wrists and bundled him into the car whose license number the Western Area Special Police for obvious reasons refused to disclose.

Japanese lawlessness in Shanghai was evidenced again this week when Mr. D. M. Dable, aged American manager of Dable Industrial Engineering Co., was assaulted on June 7 by a drunken Japanese journalist in the Public Gardens on the Bund.

Mr. Dable was strolling in the park in the evening when a Japanese accosted him in one of the darker alleyways and apparently attempted to pick his pocket. The engineer endeavored to restrain the man, who fled but could not escape. Upon being brought to bay, the Japanese struck the aged man to the ground as the noise attracted a Japanese Probationary Officer. Both of the men were then taken to the Central station where the assailant was permitted to go free after his version of the assault had been recorded.

Chinese Shot Dead

Believed to be the victim of political terrorists, Mr. Sung Kuh-ming, proprietor of the China Chemical Industries, was shot dead by a gang of three Chinese on June 7.

Mr. Sung was riding in his private car along North Honan Road and had paused at the intersection of Tsepoo Road when the shooting took place. He was struck in the head and abdomen and died immediately. A Chinese pedestrian of the coolie class was killed on the spot by a stray bullet. Two of the three gunmen were captured by the police.

Masao Nonomura, former employee of a certain section of the Japanese army, who instigated last week's daring $2,500,000 Chinese Post Office robbery in Shanghai, is scheduled to face a Japanese military court in the near furture. His companion, the Chinese ringleader in the crime, Liang Sung-yeh, will be turned over to Settlement authorities, it is believed, following Japanese investigation of the incident. The Chinese criminal, who attempted to hide his true identity under the alias of Liang Chen-kwang, is a notorious bandit and kidnapper known to have been sentenced to death four times before the Sino-Japanese conflict. In each case he won a pardon from the Chinese court. The $2,500,000 loot is believed to have been returned to the Chinese Post Office by the Japanese authorities.

Arms Cache Uncovered

Meanwhile, **Domei** reports from Hankow accuse the British-owned Hankow Club of concealing hidden arms in that city.

Colonel Akiyama, of the Japanese army, claimed that Liu Chin-shen, an employee of the Chinese-operated cafe for more than 10 years, has been found to be a member of the pro-Chungking Blueshirts and to possess concealed arms.

Liu was arrested on the night of May 19 and following "investigations" confessed that arms were concealed on the premises of the Hankow Club. A search made by the Japanese Gendarmerie in the presence of Japanese Vice-Consul Teijiro Asahina, British consul J. F. Brewis, and Mr. L. B. Howell, chairman of the club, unearthed a cache of two revolvers, 40 bullets, five hand grenades, and two bombs. The arms were hidden under the floorboards behind the bar and allegedly belonged to Chungking terrorists who planned to use them in assassinating Mr. Shih Hsing-chuan, chairman of the Finance Committee of Hankow, Hupeh, and Kiangsi, Mr. Fang Huan-ju, chairman of the Hupeh Branch of the Social Movement Guidance Committee, and Mr. Liu Tan-huei, direcetor ofo the Wuhan Consolidated Tax Bureau.

The arrested man is said to have been "converted by the police" to the cause of "peace" and to have avowed his determination to work for the Japanese puppet National Government.

Nantao Shooting

Shooting flared up again in Nantao on June 7 when a hand grenade was thrown at No. 1, Lane 64, Chiu Tsang Street where a Japanese gendarme corporal was assassinated a few days earlier. Gates to the city were closed following the explosion but the alleged

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Chungking agent who threw the bomb could not be captured.

Also from Nantao comes admission by Japanese authorities that Japanese nationals, primarily ex-soldiers, are carrying on extensive illegal practices in that area. The criminals are said to be working in the name of the long-abolished Peace and National Salvation Army. A routine order has been given police to suppress them along with another periodic order abolishing opium dens.

Meanwhile, a **Central Press** news report from Nanking, telling of the execution of Chang I-hu, a Chungking agent, there on June 9, reveals that Chiang Kai-shek's "behind-the-lines" soldiers are still active in opposing traitors and the Japanese invaders. Mr. Chang was charged with plotting to kill all the leaders of the "Peace Movement" with poisonous gas in the National Assembly Hall on March 30, 1941, when a celebration was about to be held for the first anniversary of the return of the "National Government" to the Nanking capital.

U.S. Firms Seek New Business Here

The American Chamber of Commerce at Shanghai continues to receive inquiries from firms in the United States concerning trade connections in China, despite rumors of wars in the regions of the Pacific. The following inquiries were received during May, and were circulated by the Chamber, with a request that anyone interested communicate with the Chamber, indicating the specific inquiry by number. Aside from a few, most of the inquiries came from firms in various parts of the United States:

352 (1815)—A firm in New York City, New York wants to import ores, minerals and other metallurgical and chemical products and export metals, alloys and chemicals.

353 (2077)—A firm in New York, New York wants to import and export to and from China.

354 (2102)—A firm in New York, New York wants to export textiles, paper and chemicals.

355 (3162)—A firm in New York, New York wants representative in China for their line of iron and steel, pig iron, heavy chemicals.

356 (1862)—A firm in Chicago, Illinois wants to export their line of woodworking machinery.

357 (1730)—A firm in New York, New York, wants to export a line of gas and kerosene hot water heaters.

358 (1733)—A firm in New York, New York, wants to import crocheted goods used for furs exclusively.

359 (2099)—A firm in Ponce, Puerto Rico wants to import palm oil, straw for hats and cane webbing.

360 (1868)—A firm in Toledo, Ohio, wants to find an agent to sell their line of cleaners in China.

361 (2101)—A firm in St. Louis, Missouri wants to export packaged or bulk crepe papers, rolls or folds.

362 (1647)—A firm in Seattle, Washington, wants to sell a device for printing documents, etc., quickly.

363 (1870)—A firm in Los Angeles, California wants to import rush square rugs from Shanghai.

364 (2074)—A firm in New York, New York wants to export heavy chemicals and dyes.

365 —A firm in New York, New York, wants to find an agent for handling their general line of merchandise.

366 —A firm in Guayaquil, Ecuador, wants to act as agent for the selling of spices in Ecuador.

367 —A firm in La Paz, Bolivia, wants to import tea, silk hosiery, silk piece goods, and canned fish of all kinds.

368 —A firm in New York, New York, wants connection with manufacturers of Otter Trawl Fishing Nets.

369 —A firm in New York, New York, wants to import chinaware for gift trade.

370 —A firm in La Crosse, Wisconsin, wants to import Chinese merchandise in the line of novelties.

371 —A firm in Batavia wants to act as agent for goods from China.

372 —A firm in Baghdad wants to act as agent for merchandise sold in department stores.

373 —A firm in Manila, P. I., wants to find an agent to sell their line of cosmetics, and Gum Copal.

374 (3942)—A firm in New York, New York wants to export their line of whiskies and gins.

375 (4980)—A firm in Boston, Massachusetts wants to export to this market their various lines of paper and paper products.

376 (4002)—A firm in Chicago, Illinois wants to export their line of cosmetics and beauty preparations.

377 (5357)—A firm in Oshkosh, Wisconsin wants to sell their line of electric light and power plants in China.

378 (3964)—A firm in New York, New York wants to export textiles, men's and ladies wearing apparel.

379 (4616)—A firm in New York, New York wants to export their line of electrical goods such as signal systems, telephone systems, hospital signal systems, etc.

380 (3457)—A firm in New York, New York wants to export their line of machinery, machine tools, radios and motion picture equipment.

381 (5534)—A firm in Philadelphia, Pennsylvania wants to import Chinese small sweet apricot kernels.

382 (669)—A firm in New York, New York wants to sell their appliance tester for testing electrical utilities and appliances.

383 (441)—A firm in Los Angeles, California wants to export American made zippers and import Chinese made zippers.

384 (51)—A firm in New York, New York wants to export glass, paper, leather and textiles to China.

385 (1818)—A firm in New York City wants to import zippers from China into the United States.

386 (1841)—A firm in Boston, Massachusetts wants to export on a commission basis packing house products such as beef, lard, canned hams, frozen pork loins, Boston butts, etc.

387 —A firm in New York, New York wants to obtain a dependable agent for the importation of their paper into Shanghai.

Robert J. Webers, 3458 William Place, St. Louis, Mo, desires information from Chinese or foreign firm interested in obtaining American representative for calling on jobbing and department store trade.

China Gets British Credit of £5,000,000

An export credit loan of £5,000,000 has been extended to China by the British Government in terms of an agreement signed in London on June 5 at the conclusion of protracted negotiations. This loan, which is to enable China to purchase supplies in the "Sterling Bloc" area, follows a British loan of similar amount granted China two months ago for purposes of currency stabilization. The United States, about the same time, made available to China a sum of U.S.$50,000,000, also for currency stabilization.

Mr. Manuel Fox, American member of the Sino-American Currency Stabilization Committee, and Mr. Cyril Rogers, British member of the Sino-British Currency Stabilization Committee, arrived in Hongkong from Manila by Clipper plane June 6, en route to Chungking where they will have their headquarters.

Mr. Fox declared that the Stabilization Fund will help maintain and extend China's external trade and also aid in the reconstruction of the country. America, he told newspapermen, is aiding China through the Lend-Lease Act, through commercial loans advanced by the Export-Import Bank, and through the Currency Stabilization Fund.

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Outstanding Events in the Sino-Japanese War A DAY-TO-DAY SUMMARY

First installment of this day-to-day summary constituting a complete record of outstanding events in the Sino-Japanese war on all fronts appeared in the September 11th (1937) issue of The Review.

May 25

Chinese troops in eastern Chekiang recaptured Shangyu, between Hangchow and Ningpo, after 24 hours of severe fighting, according to the official **Central News Agency.** Other Chinese units have reached a point six miles south of Hsiaoshan, across the Chientang River opposite Hangchow, the agency added.

Chinese fighter planes drove back a squadron of seven Japanese pursuit planes and two observation planes over Tienshui, Kansu province, **Havas** report from Chungking said. Three batches of 25 Japanese planes each raided Sian, Hanchung, and other localities in Shensi province.

The **Ta Kung Pao** editorially "advised" President Roosevelt on the eve of his forthcoming message that the United States would not be able to defeat Germany on the European continent at present, and should fight Japan first.

***

May 26

Clarence E. Gauss, new U. S. Ambassador to China, accompanied by his entire staff, presented his credentials to President Lin Sen of the Chinese National Government. In the messages which President Lin Sen and Mr. Gauss exchanged, each stressed the friendship of his government for the other and maintained the belief that their principles would prevail. In presenting his credentials, Mr. Gauss, in addition to the usual good wishes, emphasized the deep admiration of the American people for the courage, determination and resourcefulness of the people of China under the most trying circumstances.

While in Honolulu, Nelson T. Johnson, former U. S. Ambassador to China, branded as "falsehoods" reports in American magazines of civil war between the Communist Eighth Route Army and forces of Generalissimo Chiang Kai-shek.

Authoritative British sources in Chungking confirmed the report of an early conclusion of discussions for a Sino-British £5,000,000 export credit agreement.

Gen. Wen Chiao-chu, Deputy Chief-of-Staff of the Loyang Command, told the **United Press** that fighting in the Chungtiao mountains of southern Shansi had entered a new phase, with all Chinese troops, including regulars, adopting mobile tactics and guerrilla strategy in operations north and west of the great range. The General denied Japanese claims that seven Chinese divisions had been destroyed and 10 others cut off. The **Central News Agency** reported that the Chinese were attacking the Pinghan, Pingsui and Tungpu railways, as well as various highways in North China. Japanese at Wensi and Siahsien, on the Tung-pu railway were claimed to have been assailed by the Chinese. Chinese artillery units along the southern bank of the Yellow River, meanwhile, have been incessantly bombarding the Japanese positions on the northern bank.

A Japanese attempt to launch a southward drive from Pengtseh, in northern Kiangsi, has been successfully checked by the Chinese, according to **Kuomin.**

Thirty-nine Japanese planes, flying in three squadrons, raided Lanchow, capital of Kansu province. Meanwhile, 14 Japanese airplanes, flying at an extremely high altitude, reconnoitered over Chungking. After circling over the city for thirty minutes, the machines departed in an easterly direction, without dropping any bombs.

***

May 27

President Roosevelt paid high tribute to China's resistance to Japan in his fireside chat, pledging further aid to the Chungking Government and saying "the magnificent defense of China which will, I believe, increase in strength," was also holding up Herr Hitler's plan of world domination.

Chinese troops continued to counter-attack the Japanese forces holding Chungtiao mountains, according to **Central Daily News.** The paper claimed that the Japanese positions in the mountains "were not firm and their collapse was expected at any moment," and reported that the Chinese Air Force last week bombed the Japanese airdrome at Yuncheng in south Shansi.

Japanese reports claimed that the Japanese units in southern Shansi had scored sweeping victories in scattered engagements centered around Changtzehsien. Thirty-five thousand Chinese troops were claimed encircled.

On the Fukien front, the Chinese have repulsed a Japanese attack on Hsuehfengshan, northwest of Foochow, **Kuomin** said. In Kwangtung province, the Chinese forces which recently recaptured Waichow and Poklo are converging upon Tamshuihu in their southward drive.

Japanese aircraft again bombed Lanchow, Kansu province and claimed to have destroyed military works. Other Japanese air squadrons were reported to have attacked Chinese troops in the Kaoping area in southern Shansi.

***

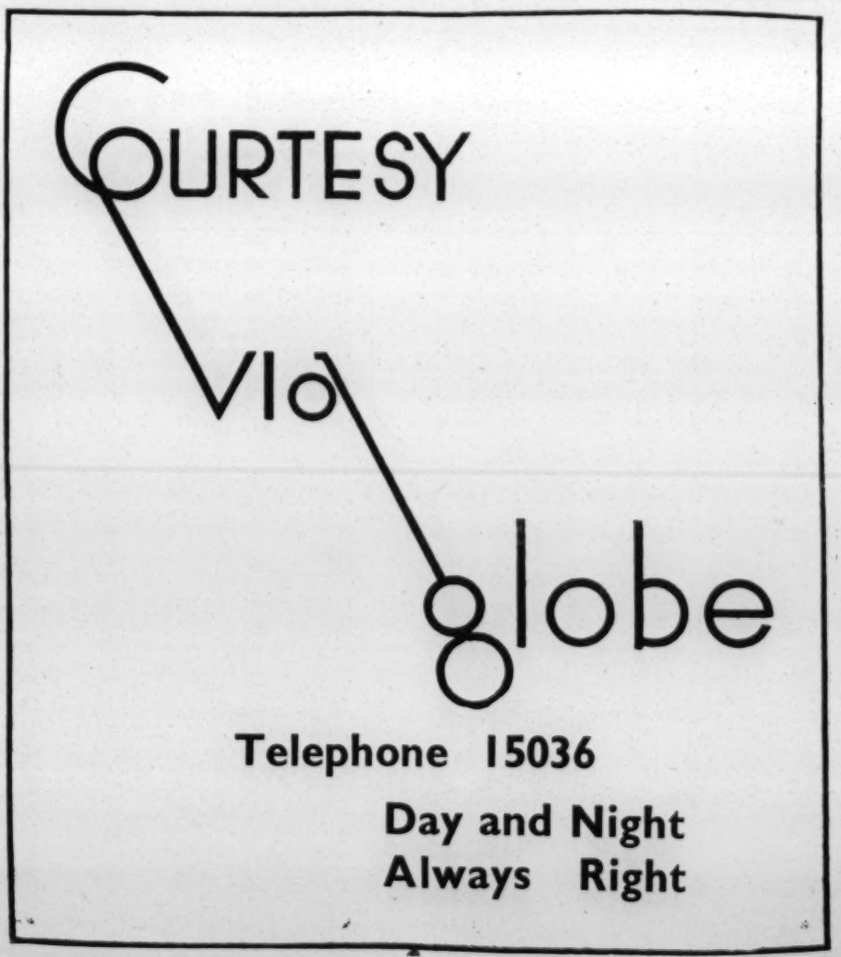
May 28

Chinese official circles hailed the speech made by President Roosevelt as "one of the most important documents in the world's history," Dr. Wang Chung-hui, Foreign Minister, told the **United Press.** He also said that the Chinese were grateful for America's recognition of China's role in fighting aggression.

There are reports which cannot yet be confirmed that American volunteer pilots have left for China, as they are constantly leaving for Britain. A scheme for development of cultural relations between the United States and China, is stated to be under discussion in some detail in official as well as unofficial circles in Washington.

Fighting in southern Shansi is said to be raging at Kaoping, between the Chungtiao and Taihang mountains. According to Chinese communiques, Japanese thrusts between Tsinshui and Kaoping were repeatedly repulsed. The Chinese siege of Yangcheng was reported to be continuing.

Japanese reports alleged that the Chinese Government will be shifted from Chungking to either Kangting, in eastern Sikang province, or Sichang, in southeastern Sikang province, in view of



the repeated Japanese air attacks. Chungking denied any such intention.

T. V. Soong, head of the Bank of China, announced his resignation from the presidency of the China Defense League, Hongkong, because of the League's alleged domestic political partisanship.

⁂

May 29

Chinese counter-attacking in the Chungtiao mountain sector have inflicted heavy casualties on the Japanese at Siwuling north of Tsinshui, said **Kuomin.** The Chinese, it was said, also repulsed Japanese assaults northwest of Kaoping and east of Tsinshui and assailed the Japanese at Yancheng.

Up to today, the Central authorities had received no reports concerning contacts between the 18th Group Army and the Japanese forces in southern Shansi, according to a Chinese military spokesman.

Lieut.-Col. Kunio Akiyama, Japanese army spokesman in Shanghai, discounted previous Chinese claims that the Chinese Communists attacked the Japanese forces in Shansi province.

A squadron of 17 Japanese airplanes raided Kian, seat of the Kiangsi Provincial Government, and Kanhsien, southwestern Kiangsi, according to **Kuomin.** No damage of military importance was caused, however. Japanese air units also attacked Silin in Kwangsi province and Laipengho and Tungmenchai in Anhwei province.

Domei report from Peiping alleged that Chungking is planning to increase its Air Force to 800 first line planes, to increase the number of its foreign pilots and to expand plane repairing facilities.

The general tone of Tokyo press commentators toward President Roosevelt's fireside chat was subdued, which must be considered as parallel to the omission in the President's speech of any warlike references to the Far East, **Domei** report from Tokyo said.

In answering questions regarding reports that President Roosevelt refrained from mentioning Japan in his fireside chat because the President believed that Japanese business circles may eventually turn against the nation's military leadership, Mr. Cordell Hull, Secretary of State, announced that United States policy toward Japan has not changed.

⁂

May 30

Havas reported that the battle for the Chungtiao mountains in southern Shansi may be considered ended with the withdrawal of the bulk of the Chinese forces from that region.

Japanese naval bombers raided Kweilin, capital of Kwangsi province. Eight Japanese planes also raided Chinkiang, on the Yuan River, in western Hunan. Chungking Chinese quarters, however, are confident that Japanese air supremacy is only temporary and will not remain unchallenged for a long time.

Generalissimo Chiang Kai-shek conferred a certificate of honor on Yunnan province, as winner in the savings movement.

The Ministry of Finance revealed that the third conference on national finance will open at Chungking on June 15. Mr. Kwan Chi-yu has been appointed secretary-general of the conference.

⁂

May 31

Domei claimed that Japanese forces had captured a total of 20,000 Chinese prisoners during the Shansi drive.

Japanese also claimed complete air domination on the entire Chinese front as a result of successful operations during the last five months. Chinese planes destroyed since the start of the Sino-Japanese hostilities, Tokyo claimed, totalled 2,049.

Formations of Japanese airplanes blitzed Kingtehchen in northeastern Kiangsu province and Loping in northeast Kiangsi province.

Chinese forces on the Fukien front recaptured Tahu, northwest of Foochow, after inflicting 800 casualties on the Japanese, **Kuomin** reported. Another **Kuomin** report said that a number of Japanese troops had landed near the the mouth of the Si Kiang (West River) in Kwangtung province. Fighting is reported to be raging at Kutsing, Chikkai and Wongchung, towns near the mouth of the Si Kiang.

To commemorate the terrific air bombings it was subjected to one year ago, the city of Hochwan, northwest of Chungking, presented three airplanes to the government to strengthen the Air Force.

Who's Who in China

Wong Poh-sheng, playwright and professor, born at Tsinhua, Hopei, 1903; graduate of the Department of Dramatic Art of the National Peiping College of Art, 1917; playwright and stage director of the People's Theater of the Political Training Board of the National

王 泊 生
Wong Poh-sheng

Military Affairs Commission, Nanking; playwright and professor of the Shantung Provincial Experimental Theater, Tsinan, Shantung province; professor of Yenching University, Peiping; devoting much energy to improving the Chinese opera and dramatic literature; author of the Chinese operas "General Yueh Fai," "Martyr Wen Tien-hsiang," "Hero Gin Kuo," and famous Soong expeditioner "Cheng Chen Kuan"; now, head of the National Drama Experimental College and the National Drama Experimental Theater; address: National Drama Experimental Theater, Chungking, Szechwan.

Ambulance Corps of 50 Soon to Leave for China

An ambulance corps of 50 Americans, Britons and Canadians will leave the United States for China in the near future, taking with them 10 motor ambulances with full medical equipment and supplies, according to a **Domei** report from New York, quoting an announcement by the American Friends Service Committee. The corps, which will be headed by Dr. Robert McClure, a Canadian, will sail for Rangoon and enter China by way of the Burma Road, the report said, adding that the China United Relief Campaign is cooperating with the American Friends Service Committee in dispatching the corps.

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Men and Events

Lieutenant-Colonel F. W. Scholl arrived in Bangkok, Thailand June 5 to serve as U. S. Military Attache connected with the U. S. Legation.

*

According to a report in Rome, June 6, a number of American pilots have arrived in Palestine and have enlisted in the British Air Force for service in the Near East.

*

Gordon Campbell, former U. S. Marshal at Shanghai who retired several weeks ago, has been appointed deputy district attorney of Monterey County, California. Mr. and Mrs. Campbell are now residing in Carmel, which is near the city of Monterey.

*

The economic mission which Chungking is shortly sending to Burma, India, and Straits Settlements will include a large staff of economic and financial experts, according to a report from Hongkong. The head of the mission probably will be Tai Chuan-hsien, president of the Examination Yuan.

*

The Vichy Government has appointed M. Jean Brionval Consul-General at Seoul, Korea. Mr. Brionval is now stationed at Bangkok but previously was attached to the French Consulate-General in Shanghai for several years. His last position here was Assistant Consul.

*

Clyde Pangborn, famous American flyer, sucessfully landed his seventh American-made bomber at Manila June 8. Pangborn flew the bomber from California by way of Honolulu. The bombers were all flown from Manila to Singapore by British pilots who took delivery at Manila.

*

The S. S. President Jackson, which was in Shanghai on its maiden trip some time ago, was seriously damaged by fire of an undetermined origin which broke out in the hold as it was tied up at Terminal Pier, Jersey City. The waterfront area there was largely destroyed by fire a few days earlier.

*

The Foreign Affairs Committee of the House of Representatives at Washington on June 7 approved a bill giving President Roosevelt the legal authority to control entrance into and exit from the U. S. of all persons, citizens and aliens alike. The bill authorized the President to exercise such authority in connection with all areas where war situations have been proclaimed.

*

The United China Relief Organization in the U. S., which is headed by Mrs. Eleanor Roosevelt, wife of the President, and Pearl Buck, the writer, sent a cable June 4 to Madame Chiang Kai-shek, congratulating her on her birthday. The message pledged support of the relief organization to Madame Chiang's efforts in alleviating the sufferings of the Chinese people due to the war situation.

*

Lieutenant-Commander William Elliot, formerly connected with the Asiatic Petroleum Company in Shanghai, who volunteered for service with the British Navy some time ago, was killed in action, according to a dispatch received in Shanghai June 7. He once served as Governor-General of Norfolk Island and was on the training ship Mercy in the world war. He came to Shanghai in 1923 and joined the marine department of the A.P.C., later becoming Marine Superintendent. He was active in the police specials and was assistant scoutmaster of the Sea Scouts. He is survived by his wife, Mrs. Patricialy Elliot, who resides in England.

O. K. Yui, mayor of Greater Shanghai prior to the Japanese occupation and who was recently appointed Political Vice-Minister of Finance, broadcast an address to the people of Shanghai over the Central Broadcasting Station Saturday evening, June 7. The program was staged by the Chungking association of former staff members of the Greater Shanghai Municipal Government.

*

The West China Committee of the American Red Cross at Chungking has sent an appeal to the National Committee of the American Red Cross in Washington, D. C. for increased supplies, particularly of medicines. Items listed included 420 tons of medicines, 175 ambulance trucks, 300 tons of spare parts and tools, with adequate supplies of gasoline and oil.

*

The Chinese Engineering Society celebrated Engineers Day at Chungking on Friday, June 6. More than 200 Chinese engineers in West China attended the meeting and reception. Many government officials also attended. Wu Chih-hui, member of the Kuomintang Central Committee, in an address said that Engineers Day coincided with the birthday of Emperor Yu, first great Chinese engineer who, according to legend, devised a plan for controlling the flood waters of the Yangtsze and Yellow Rivers.

*

The National Government, May 29, issued mandates granting posthumous honors to a number of Chinese aviators who were killed in action in recent weeks. Among those receiving such honors were Kao Chih-hang, who was given the honorary title of Major-General of the Air Force; Wang Chi, Shih Ta-lu, and Lu Kuo-min were granted posthumous ranks of Lieutenant; and the late Captain Li Kwei-tan was given the posthumous honor of Major.

Sir Gerald Campbell has been appointed director-general of the British Information Service in the U. S. Previously he had served as Minister Assistant to the British Ambassador. Among previous positions he has held were High Commissioner to Canada, and Consul-General at Philadelphia and San Francisco. He also had service in Brazil, Belgian Congo, Italy, and Abyssinia.

*

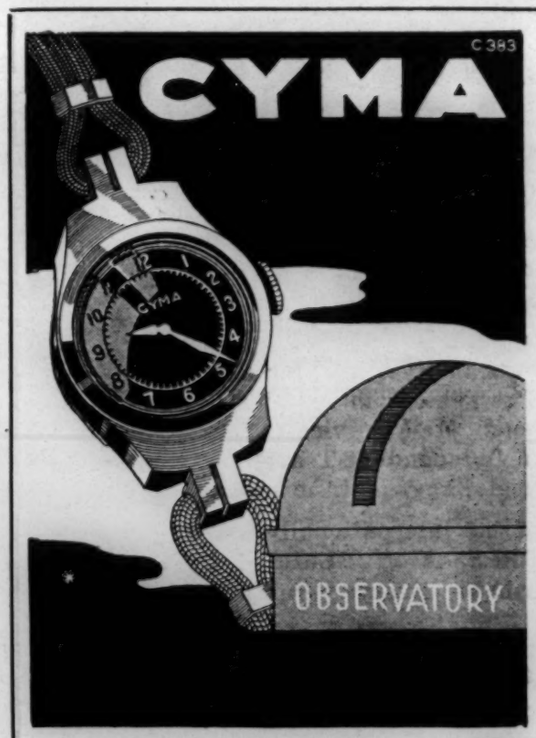
Dr. Sao-ke Alfred Sze, former Chinese Ambassador to the U. S. who has been connected with relief activities in Shanghai and Hongkong since the beginning of the war, departed for the U. S. June 4 in order to attend the commencement exercises at Cornell University, according to a report from Manila on June 4. Dr. Sze traveled by Clipper plane.

*

General Chi Hsueh-yuan, who once served as governor of Kiangsu Province, may be appointed chairman of the North China Political Council, Japanese-controlled organization which governs the North China provinces under occupation by the Japanese Army. General Chi is at present Director-General of public safety and Commander-in-Chief of the North China Pacification Army at Peiping. Wang Yi-tang, present chairman of the council, is expected to retire shortly.

*

Fritz Rittmueller, 67, for many years Far Eastern Manager of the Deutsch-Asiatische Bank, died in Shanghai Friday, June 7 at the Sino-Belgium Radium Institute in the French Concession. He had been connected with the German bank for 40 years, mostly in the Orient. He helped defend Tsingtao in 1914 against the Japanese attack. He is survived by his wife, a son, and daughter in Shanghai and his mother and another daughter who reside in Germany.



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The Holy Trinity Cathedral was 75 years old on Sunday, June 8. The first church was built on the site of the Cathedral at Kiangse and Honan Roads in the International Settlement 94 years ago, but the foundation stone of the present Cathedral was laid 75 years ago. The Reverend P. C. Mathews delivered an address at the service Sunday, May 8, dealing with the history of the church. He said that the first official suggestion for the erection of the church was made at a meeting of early residents of the Settlement April 6, 1847. Land for the church was obtained by Mr. J. C. Beale. The first building was constructed at a cost of $6,855.19, but was of flimsy construction and the roof fell in during a storm on June 24, 1850, according to the records. The first preacher was the Reverend John Louder, British chaplain. The cathedral school was opened in 1878.

T. Y. Hu, who is connected with the China Council for Economic Research in New York, has recently published a booklet entitled "Japan's Economy Under War Strain." According to the booklet, the China War has cost the Japanese Empire the equivalent of US$4,000,000,000, which was approximately the entire Japanese income in 1396. Mr. Hu said that the Japanese have sent more than 2,000,000 men to China since the beginning of the war and that Japanese wartime industry today requires 1,500,000 more workers than in 1936. The demand for workers in wartime industries has adversely affected the country's agriculture. Wholesale prices had increased past the index figure of 132, retail prices reached 153 in 1940 compared with 100 in 1937. During the same period wages based on buying power sank from 100 to 91. He said that Japanese economy was in such a critical situation that an embargo on raw materials by the U. S. and Britain would bring about an inevitable collapse in Japan's economy.

William S. Knudsen, director of the Office of Production Management at Washington, on June 6, asked the American automobile industry to reduce production of 1942-model cars by 20 percent. At the same time, Mr. Knudsen asked the steel industry to increase its capacity by 10,000,000 tons. The restriction on production of 1942-model motor cars was made necessary by curtailment in production of sheet and strip steel used in the automobile industry. As a result of the curtailment, all rolling mills will now increase production of steel for building ships and railway cars. Reduction in production of motor cars is already being felt by dealers in Shanghai who are unable to promise delivery of new cars for many months.

William S. Knudsen, head of the Office of Production Management, was born in Denmark and went to America as an immigrant at the age of 20. He first worked in shipyards and railway shops and ultimately became President of General Motors, from which he resigned to become head of President Roosevelt's bureau which coordinates production management.—Kansas City Star picture.

The so-called Shanghai Russian Emigrants' Committee, a Japanese-controlled organization, recently has refused to grant return visas to a number of Russian residents of Tientsin who recently came to Shanghai. A report in the French **Journal de Pekin** on June 1 said that the Russian Committee had refused to grant visas for any Russian to travel between Shanghai and Tientsin, "who couldn't give sufficient reasons for the trip," or to any person who had made the trip without a permit issued by the Committee. The Japanese-controlled Committees also require travelers to present documents proving they are "anti-Communistic."

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Baby's Own Tablets.

Sir Archibald Clark Kerr, British Ambassador, arrived at Hongkong from Chungking on June 11.

*

Nicolas de Vege, new Hungarian Minister to Japan, presented his credentials to the Emperor, and later was received by the Empress, on Wednesday June 11.

*

Henry Cosme, French Ambassador to China, who has resided in Peiping for several months, arrived in Shanghai on June 10.

*

Dr. Quo Tai-chi, former Ambassador to Great Britain, who recently was appointed Foreign Minister, arrived at Manila by Clipper Plane enroute to Chungking on June 10.

*

A German report from Madrid on June 5 said that the Spanish Government would shortly recognize and send a diplomatic representative to the Japanese-protected state of Manchukuo.

*

Dr. Friedrich Karber, described as a famous German metallurgist and director of the Kaiser Wilhelm Iron Works in Germany, has been invited to visit Japan as an exchange professor, according to **Domei** from Tokyo on June 6.

*

The Japanese airliner Hayabusa crashed at Paoshui, 13 kilometers soutwest of Wangtu on the Peiping-Hankow Railway on June 10. The pilot and mechanic and three other Japanese all connected with the Japanese aviation concern, were killed.

*

Gen. Li Han-hun, Chairman of Kwangtung, on June 10, ordered the arrest and trial of Li Miencheng, Magistrate of Sunwunhsien, southern Kwangtung, on charges of corruption. The trial will be held in Shiuchow, wartime capital of the province.

*

Japanese-American student conference, scheduled for June 29 at the University of Washington at Seattle, was called off according to a German **Transocean** dispatch from Tokyo on June 9. The report stated that another Japanese-Philippine student conference had also been called off because of the tense political situation.

*

The long-established Japan Tourist Bureau is shortly to be renamed the East Asia Travel Agency, according to **Domei** report. The change has been ordered because of the expansion of the organization into Japanese-occupied areas of China and also due to the opening of offices in Hanoi, Bangkok, Manila and Singapore.

*

The Central China Telecommunications Company, Japanese enterprise which operates Chinese telephones and telegraph lines seized by the Japanese Army, has announced the opening of radio-telephone service between Amoy, Fukien Province and Taihoku, Formosa. The report stated that a similar service would shortly be opened between Amoy and Shanghai.

*

The China Nutritional Aid Council and the Chinese Art Council, will be hosts at a farewell dinner in honor of Major Arthur Bassett, Chairman of the two organizations, on June 21, at the Hotel Pacific. A special entertainment program will be presented by Prof. Chao Mei Pa and T. F. Wei. Major Bassett is departing early in July for the United States.

*

The Japanese-controlled Central China Marine Products Company, subsidiary of the Japanese Central China Development Company, which was given a monopoly for the supplying of fish to the Shanghai market by the Japanese naval authorities in 1937, has announced a net profit of Yen 722,195 for 1940, according to report in the Japanese newspapers this week. The directors ordered payment of a dividend of 10 percent.

The U. S. Federal Bureau of Investigation on June 9 arrested a Japanese named Toraichi Kono and his American associate L. B. Blake, at Los Angeles, on charges of espionage. The F. B. I. authorities said the two men were collecting information regarding American defense for the benefit of the Japanese Government. Blake had registered with the State Department two years ago as a Japanese propagandist.

*

The German Military Attache in Tokyo, Col. Kretschmar, arrived in Nanking by special Japanese military plane on June 9 for a visit with Gen. Shunroku Hata, Commander-in-Chief of the Japanese Forces in China. Col. Kretschmar will be taken on a tour of former battlefields near Nanking by the Japanese military authorities, following which he will be taken to **Hankow.**

*

A German report from Bangkok, on June 9 said that a number of Siamese businessmen had received orders from the Thai Trade Ministry to ship certain Siamese products to Germany by way of Manchukuo and the Trans-Siberian Railway. The Soviet Government, which recently negotiated a trade treaty with Thailand, has granted special permission for the shipment of the Siamese products to Germany.

*

John Scott, correspondent for a London paper, stationed in Moscow, who was ordered deported from Russia by the Soviet authorities on June 8, is an American newspaperman, who has resided in the Russian capital for some time. The Soviet Commissariat of Foreign Affairs on June 7 granted permission for Mr. Scott's wife, who is of Russian nationality, to renounce her Russian citizenship and depart from the USSR, with their two children. The Scott family was scheduled to depart from Moscow on June 11. According to **Tass,** official Soviet news agency, Mr. Scott was ordered deported because of "slanderous articles" he had sent to the **London News Chronicle.**

*

Miss Natalie Henry, daughter of Dr. James M. Henry, Provost of Lingnan University, Canton, China, was awarded a scholarship by the School of Journalism, Columbia University, according to a report in **Editor and Publisher,** May 10. Miss Henry resided in Canton with her parents for 12 years before entering Columbia University. Miss Henry stated she intended to use the funds provided by the scholarship in traveling to Bogota, Colombia, where she will be employed a year on the **El Tiempo,** one of the leading newspapers of South America. Everett A. Bauman, native of Joliet, Illinois, who also won a scholarship, announced his intention of proceeding to Buenos Aires, Argentina for special study in South American journalism.

*

The Sino-British and Sino-American Stabilization Committees will establish their head offices in the Central Bank of China in Chungking, according to **Kuomin** report June 3. The commissions will start functioning as soon as Manuel Fox and Cyril Rogers, the American and British members, arrive at the capital. Tsuyee Pei, Assistant General Manager of the Bank of China, who is also a member of the Commission, arrived in Chungking June 1 and will remain there permanently. Two other members, K. P. Chen and Hsi Teh Mau, are also in Chungking. Manuel Fox arrived in Hongkong this week. In an interview at Honolulu he said that the primary purposes of the commissions were to bring the Chinese dollar to an even keel and also bring about closer coordination of the activities of the United States, Britain and China. He hoped the commission would be able to assist materially in expanding China's foreign trade.

New Books of Interest in the Far East

Dots in the Ocean

UNCLE SAM'S PACIFIC ISLETS—By David N. Leff. Published by the Stanford University Press, California, 1940, pp. 71, US$1.00.

Years ago, little attention was given to the small islands in the Pacific. But with the development of aviation, these islands became important economically, politically and militarily. As Professor Thomas A. Bailey says in his Foreword to the book under review: "But when man found wings, he needed resting places; and overnight these tiny islets sprang from obscurity to the headlines. Without them, regular trans-Pacific aerial navigation would be a dream instead of an amazing reality. And with aircraft assuming an increasingly vital place in naval and military strategy, these hitherto scorned land dots have before them an exciting—perhaps terrifying—future."

For this reason, the study of Mr. David N. Leff on "Uncle Sam's Pacific Islets" is of great importance and should be read by everyone who is concerned with the present development of the wars in Europe and Asia.

Unlike other imperialistic countries, the United States had no desire to acquire new territory. When Haiti proposed ceding La Fortune Island to the United States in 1882, Secretary of State Freylinghausen wrote: "The policy of this government....had tended toward avoidance of possessions disconnected from the main continent...." In 1885, Secretary of State Bayard averred that "the policy of the United States....discountenances and in practice forbids distant colonial acquisition." President Cleveland said to Congress in the same year: "I do not favor a policy of acquisition of new and distant territory, or the incorporation of remote interests with our own." It is because of this policy that many of the islets in the Pacific, though discovered by the Americans, are not considered at present as American territory.

However, the policy of the American Government has changed in recent years. Says the author: "The haste with which the United States has recently raised its flag over numerous Pacific islets would....appear to be a strange departure from American tradition. From 1935 to 1938, the United States was thus occupied, and was in active competition with Great Britain; for the Union Jack as well as the Stars and Stripes suddenly began decorating remote pin-points in Oceania." This is due primarily to the development of commercial aviation.

It is because of the purpose of finding "resting places" for airplanes in the Pacific Ocean that Secretary of State Hull ordered geographical experts, headed by Samuel Whittemore Boggs, to examine in New England whaling towns such nautical records as the century-old Nantucket **Inquirer and Mirror** for documentary proof that most of the islands Great Britain had long claimed were "presumably discovered by U. S. whaling captains from 1791 to 1828." The attempt to establish rights over many of the Pacific islets has become all the more important at the present time as they form important bases of America's air force.

In this book, the author describes in detail the general geographical situation of twelve Pacific islets, including Midway, Kure, Wake, Johnson, Kingman, Palmyra, Swain's, Baker, Howland, Jarvis, Canton and Enderbury. Following the description, the author tells how each of these islets was discovered by Americans as well as how American sovereignty was established over them. The significance of these islets may be seen from the author's last two paragraphs in which he tells how American airplanes are making use of Canton island: "Six United States Navy patrol bombers made a spectacular 1,665-mile mass flight from Honolulu to Canton on March 14, 1940. This trip marked the first crossing of the Equator by American warplanes.

"On July 14, 1940, a 75-passenger Pan-American Airways clipper skimmed up to the seaplane ramp at Canton Island on its maiden hop from San Francisco to Auckland, New Zealand. Since then the coral islet, now boasting a modern hotel and airport, has been a regular stopover on scheduled flights from the United States to 'down under.' For thirty cents the post office will deliver a letter to Canton, and already the atoll, once second-best bet for an eclipse expedition, is being hailed by airwayfarers as a fisherman's dream—with specimens leaping right out of the lagoon into one's lap."

Because of the growing importance of these islets, it is to be hoped that a more comprehensive study dealing not only with their geographical location but also their problems of population, commercial value, as well as problems of military and naval strategy, may be made in the near future.

F.F.C.

The Overseas Chinese

EMIGRANT COMMUNITIES IN SOUTH CHINA—By Ta Chen. Issued under the auspices of the China Institute of Pacific Relations. Oxford University Press, London and New York, 1939. 287 pages.

Overseas Chinese have played an important part in China's political, economic and social development in the past few decades. The revolution led by Dr. Sun Yat-sen, which brought about the downfall of the Manchu Dynasty in 1911 was supported by them. Remittances from overseas every year helped to balance China's international payments. It was also because of these overseas Chinese that drastic changes in social conditions have been made in China, especially in South China. At the present time of war, when China is carrying on a life and death struggle against the Japanese, they have not only contributed money to finance the war and to take care of the wounded, but have invested large sums of capital to finance numerous economic reconstruction projects in the interior provinces.

But who are the overseas Chinese? What are their relationships with their

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Pursuant to an Order of said Court notice is hereby given to all persons having claims against the estate of Rosemary G. Norris, deceased, to present the same with vouchers to the undersigned on or before December 13, 1941, and all persons owing debts to said deceased are hereby notified to make payments of the same in due course to the undersigned.

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family members at home? What are they doing in foreign lands? What are their relations with the people of the country where they reside and work? What is the government policy toward them? In the book under review, the author tries to disclose the "varying degrees in which overseas Chinese have been instrumental in introducing new ideas, new habits, and new social energies in their home country, and the degrees, furthermore, in which their contributions to the life of their home communities have been constructively beneficial or socially disruptive." This study serves as a good start in the direction of finding out the causes and effects of the migration movement, as well as the present condition of the Chinese, so that the Chinese government may have a wise and constructive policy in dealing with the problem which they represent.

The present study was started in April, 1934 and concluded in April, 1935. It covered ten counties in Fukien and Kwangtung, including the long strip of territory commencing at Chao An, passing through Swatow, on the Kwangtung border, through Amoy, and terminating at Chuan Chou in southern Fukien. It is an area of a little less than five thousand square miles, with a total population of a little over 4,600,000.

According to the study, people of this area went abroad for seven major reasons, namely, economic pressure, previous connection with the South Seas, losses from natural calamities, plans to expand specific enterprises, bad conduct, local disturbance, family quarrels. It is interesting to note that, in general, the people of this region went to the South Seas because of economic reasons. For example, out of a total family of 905, 633 went to the South Seas because of economic pressure at home.

The study also brought out the important fact, which deserves special mention here, that the remittances from overseas Chinese are made in small sums ranging from $11.40 to $192.60 per month. It is likewise interesting to note that the occupations of overseas Chinese are mostly those of peddler, laborer, farmer and small merchant. It is because of the diligence of the overseas Chinese that they succeed in competing with the natives and establishing for themselves an important position in the South Sea islands.

The book under review is a study of overseas migration and its influence on standards of living and social change. The author and his collaborators did a very comprehensive work in collecting data, compiling figures and comparing the social changes in the emigrant and non-emigrant communities. This book gives first-hand information to students of sociology.

F. A.

La Revue Nationale Chinoise

Main features of this month's issue of the local French language monthly deal with Far Eastern folklore and cultural matters. Sidelights on French cultural activity in China are contained in M. Roland de Margerie's remarkable speech delivered at the inauguration ceremony of the Medical Exhibition at Aurora University. The general attitude and high literary standard of the address of the Consul General, who reviews France's and China's contributions to medical science, bear witness to the importance of the part France has played up to now, and will continue to play, in the scientific progress of the world in general and of China in particular.

Other articles are: "The Goldes, Tribe of Eastern Siberia," by H. Nicolet de Chollet; "Dragon Boat Festival," by G.R.G. Worcester; "Chen Chi, a Chinese Painter," by Pierre Flogny; a study on the new Franco-Japanese treaty concerning Indo-China, and a survey of the organization of Chinese Industrial Cooperatives.

The permanent columns, general and economic information, as well as the book and press review, complete the new issue which is just off the press.

British Malaya Policy Scored in Chungking

The British in Malaya must change their present policy of dealing with the Chinese if they hope for China's cooperation in defense of that territory. A statement to this effect was made last week-end in Chungking by a high Chinese official who has recently returned from a tour of South Seas countries, **Reuter** reported from the Chinese capital.

The Chungking official charged that the British authorities in Malaya had been deporting members of the Kuomintang as "radicals" while permitting genuine Communists to remain in active control of Chinese communities. Since the Kuomintang is the ruling party in China, and because of Sino-British cooperation, the official said, the British authorities in Malaya should permit the organization of the Kuomintang to function unhindered. The Kuomintang, for its part, would help the British authorities to combat Communist elements.

Travelers to North China Must Have Army Passes

Effective July 1, all "third party nationals" wishing to travel in or to North China will be required to secure certificates issued by the Japanese Expeditionary Forces in that area, **Domei** reported from Peiping on June 6. This requirement is being laid down for "military reasons and for the more effective maintenance of peace and order," it was explained. Transit visitors will be issued a certificate good for one trip, but those making frequent visits will be able to get certificates good for six months. Persons in the North who wish to travel to central China must also arm themselves with Japanese Army certificates after July 1.

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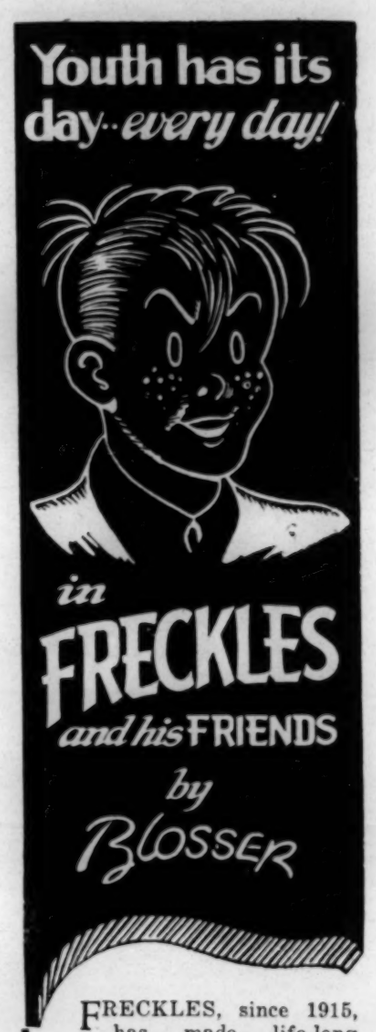

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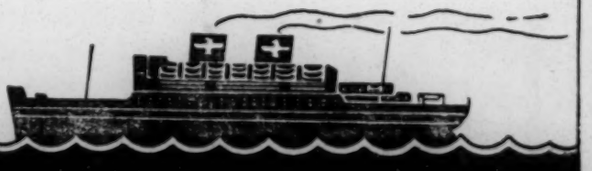

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